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Addendum

Comprehensive Proposal for the Kosovo Status Settlement

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COMPREHENSIVE PROPOSAL FOR THE KOSOVO STATUS SETTLEMENT

Article 1 General Principles

1.1 Kosovo shall be a multi-ethnic society, which shall govern itself democratically, and with full respect for the rule of law, through its legislative, executive, and judicial institutions.

1.2 The exercise of public authority in Kosovo shall be based upon the equality of all citizens and respect for the highest level of internationally recognized human rights and fundamental freedoms, as well as the promotion and protection of the rights and contributions of all its Communities and their members.

1.3 Kosovo shall adopt a Constitution. The Constitution of Kosovo shall prescribe and guarantee the legal and institutional mechanisms necessary to ensure that Kosovo is governed by the highest democratic standards, and to promote the peaceful and prosperous existence of all its inhabitants. The Constitution shall include, but not be limited to, the principles and provisions contained in Annex I of this Settlement.

1.4 Kosovo shall have an open market economy with free competition.

1.5 Kosovo shall have the right to negotiate and conclude international agreements and the right to seek membership in international organizations.

1.6 The official languages of Kosovo shall be Albanian and Serbian. The Turkish, Bosnian and Roma languages shall have the status of official languages at the municipal level or will be in official use in accordance with the law.

1.7 Kosovo shall have its own, distinct, national symbols, including a flag, seal and anthem, reflecting its multi-ethnic character.

1.8 Kosovo shall have no territorial claims against, and shall seek no union with, any State or part of any State.

1.9 Kosovo shall cooperate fully with all entities involved in the implementation of, and undertake all obligations under, this Settlement. Kosovo and the Republic of Serbia are encouraged to cooperate in good faith on issues pertinent to the implementation and realization of the terms of this Settlement.

1.10 Kosovo and the Republic of Serbia are encouraged to establish a joint commission to facilitate such cooperation, as well as to pursue and develop good neighborly relations.

1.11 The international community shall supervise, monitor and have all necessary powers to ensure effective and efficient implementation of this Settlement, as set forth in Annexes IX, X and XI. Kosovo shall also issue an invitation to the international community to assist Kosovo in successfully fulfilling its obligations to this end.

Article 2 Human Rights and Fundamental Freedoms

2.1 Kosovo shall promote, protect and respect the highest level of internationally recognized human rights and fundamental freedoms, including those rights and freedoms set forth in the Universal Declaration on Human Rights, the International Covenant on Civil and Political Rights, and the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols. Kosovo shall take all necessary measures towards ratifying the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols.

2.2 All persons in Kosovo are entitled to human rights and fundamental freedoms, without discrimination of any kind on grounds of race, color, sex, language, religion, political or other opinion, national or social origin, association with community, property, birth or other status. All persons in Kosovo are equal before the law and are entitled, without any discrimination, to equal protection of the law.

2.3 The principles of non-discrimination and equal protection under the law shall be applied and respected in particular in the areas of employment in public administration and public enterprises, and access to public financing.

2.4 The Constitution of Kosovo shall prescribe the legal and institutional mechanisms for the protection, promotion, and enforcement of human rights of all persons in Kosovo, as set forth in Annex I of this Settlement.

2.5 Kosovo shall promote and fully respect a process of reconciliation among all its Communities and their members. Kosovo shall establish a comprehensive and gender-sensitive approach for dealing with its past, which shall include a broad range of transitional justice initiatives.

2.6 All competent authorities of Kosovo shall cooperate with and provide unrestricted access to internationally recognized human rights monitoring mechanisms or organizations.

Article 3 Rights of Communities and Their Members

3.1 Inhabitants belonging to the same national or ethnic, linguistic, or religious group traditionally present on the territory of Kosovo (hereinafter referred to as Communities) shall have specific rights as set forth in Annex II of this Settlement, in addition to the human rights and fundamental freedoms provided for in Article 2 of Annex I of this Settlement.

3.2 Kosovo shall guarantee the protection of the national or ethnic, cultural, linguistic and religious identity of all Communities and their members. Kosovo shall also establish the constitutional, legal and institutional mechanisms necessary for the promotion and protection of the rights of all members of Communities and for their representation and effective participation in political and decision-making processes, as set forth in Annexes I and II of this Settlement.

3.3 The authorities of Kosovo shall be guided in their policy and practice by the need to promote a spirit of peace, tolerance and intercultural and inter-religious dialogue among all Communities and their members.

Article 4 Rights of Refugees and Internally Displaced Persons

4.1 All refugees and internally displaced persons from Kosovo shall have the right to return and reclaim their property and personal possessions in accordance with domestic and international law. Each individual shall have the right to make a free and informed decision on his/her place of return.

4.2 Kosovo shall take all measures necessary to facilitate and to create an atmosphere conducive to the safe and dignified return of refugees and displaced persons, based upon their free and informed decisions, including efforts to promote and protect their freedom of movement and freedom from intimidation.

4.3 Kosovo shall cooperate fully with the United Nations High Commissioner for Refugees, who will assist the competent authorities in extending protection and assistance to returnees, and who will, *inter alia*, undertake periodic assessments and issue public reports on the conditions of return and the situation of the internally displaced within Kosovo, and shall also extend the cooperation to other organizations involved in the return process.

Article 5 Missing Persons

5.1 Kosovo and the Republic of Serbia shall, in accordance with domestic and international norms and standards, take all measures necessary to determine and provide information regarding identities, whereabouts, and fates of missing persons, in full cooperation with the International Committee of the Red Cross (ICRC) and other relevant international partners.

5.2 Kosovo and the Republic of Serbia shall continue to take part meaningfully, effectively, and without undue delay in the Working Group on Missing Persons established in the framework of the "Vienna Dialogue," and chaired by the ICRC, or a similar successor mechanism as may be established. The Chair of the Working Group shall issue periodic public reports on the progress of the Working Group. Kosovo and the Republic of Serbia shall strengthen their respective governmental institutions charged with contributing to this effort with the legal mandate, authority, and resources necessary to maintain and intensify this dialogue, and ensure the active cooperation of all administrations concerned.

Article 6 Local Self-Government and Decentralization

6.1 Municipalities shall form the basic territorial units of local self-government in Kosovo.

6.2 Local self-government in Kosovo shall be based upon the principles of good governance, transparency, and efficiency and effectiveness in public service, having particular regard for the specific needs and concerns of Communities that are not in the majority in Kosovo and their members.

6.3 Municipalities in Kosovo shall have the right to inter-municipal and cross-border cooperation on matters of mutual interest in the exercise of their responsibilities, as set forth in Annex III of this Settlement.

6.4 New municipal boundaries shall be delineated in accordance with the Attachment to Annex III of this Settlement.

Article 7 Religious and Cultural Heritage

7.1 Kosovo shall ensure the autonomy and protection of all religious denominations and their sites within its territory.

7.2 The Serbian Orthodox Church in Kosovo (SOC), including its clergy and their affiliates, activities and property shall be afforded additional security and other protections for the full enjoyment of its rights, privileges and immunities, as set forth in Annex V of this Settlement.

7.3 The SOC shall be the sole owner of its property in Kosovo, with exclusive discretion over the management of its property and access to its premises, as set forth in Annex V of this Settlement.

7.4 An Implementation and Monitoring Council (IMC) shall be established by the International Civilian Representative (ICR) to monitor and facilitate full implementation of the special arrangements and protections accorded to the SOC and Serbian religious and cultural sites, as set forth in Annex V of this Settlement.

Article 8 Economic and Property Issues

8.1 Kosovo shall pursue an economic, social and fiscal policy necessary for a sustainable economy. To support, in particular, a sustainable system of public accounts, Kosovo shall establish with the European Commission, and in close cooperation with the International Monetary Fund, a fiscal surveillance mechanism. Kosovo, in preparing its budget, shall consult with the ICR.

8.2 Any external debt of the Republic of Serbia apportioned to Kosovo as a result of the debt reconciliation process, as set forth in Annex VI of this Settlement, shall be deemed to be a financial liability of Kosovo.

8.3 Immovable and movable property of the Federal Republic of Yugoslavia or the Republic of Serbia located within the territory of Kosovo at the time of this Settlement shall pass to Kosovo.

8.4 Publicly owned enterprises (POEs) and related obligations, and socially owned enterprises (SOEs) and their assets, currently under the jurisdiction of the Kosovo Trust Agency (KTA), shall be regulated as set forth in Annex VII of this Settlement.

8.5 The Kosovo Pension Savings Trust (KPST) shall continue to hold in trust private assets for pensions and shall invest those assets prudently. It shall carry out its functions

independently. The KPST Governing Board shall exercise its fiduciary duty solely in the interest of its beneficiaries.

8.6 Kosovo shall recognize, protect, and enforce the rights of persons to private movable and immovable property located in Kosovo in accordance with established international norms and standards. Claims regarding private immovable property, including agricultural and commercial property, shall continue to be addressed, where appropriate, by the Kosovo Property Agency (KPA), in accordance with Annex VII of this Settlement. Kosovo shall address property restitution issues, including those related to the Serbian Orthodox Church, as a matter of priority, in accordance with Annex VII of this Settlement.

8.7 Kosovo and the Republic of Serbia shall further develop economic ties between them. They shall also strive to settle directly any claims between them, which are not otherwise addressed by this Settlement, by mutual agreement, taking into account relevant international norms and standards. Kosovo and the Republic of Serbia are expected to ensure fair and non-discriminatory treatment of property and financial claims of each other's citizens, and shall ensure fair and non-discriminatory access to their jurisdictions and claims resolution mechanisms.

Article 9 Security Sector

9.1 Except as otherwise provided in this settlement, Kosovo shall have authority over law enforcement, security, justice, public safety, intelligence, civil emergency response and border control on its territory.

9.2 Kosovo security institutions shall operate in accordance with internationally recognized democratic standards and human rights, and shall ensure equitable representation of all Communities throughout their ranks, in accordance with Article 4.4 of Annex II of this Settlement.

9.3 The International Civilian Representative (ICR) and the International Military Presence (IMP), in accordance with provisions of this settlement and in line with their respective mandates, shall supervise and guide the development and evolution of the Kosovo security institutions.

9.4 A new professional and multiethnic Kosovo Security Force (KSF) shall be established, and shall develop a lightly armed component capable of specified security functions, in accordance with Annex VIII of this Settlement.

9.5 Kosovo shall establish a civilian-led organization of the Government to exercise civilian control over the KSF, in accordance with this Settlement.

9.6 The KPC, having accomplished its goals, including the facilitation of Kosovo's post-conflict recovery, shall be dissolved within one year of the conclusion of the transition period as set forth in Article 15 of this Settlement.

9.7 All organizations not authorized by law to conduct activities in Kosovo in the security sector shall cease to operate.

Article 10 Constitutional Commission

10.1 Immediately upon the entry into force of this Settlement, the President of Kosovo, in consultation with the Presidency of the Assembly of Kosovo, shall convene a Constitutional Commission to draft a Constitution, in consultation with the International Civilian Representative (ICR), in accordance with this Settlement.

10.2 The Constitutional Commission shall be composed of twenty-one (21) Kosovan members, who shall possess the relevant professional qualifications and expertise necessary for this purpose, and who shall reflect the diversity of Kosovo society having due regard for internationally recognized principles of gender equality, as reflected in the human rights instruments referred to in Article 2 of Annex I of this Settlement. Fifteen (15) members shall be appointed by the President of Kosovo, in consultation with the Presidency of the Assembly of the Kosovo. Three (3) members shall be appointed by the Assembly members holding seats reserved for the Kosovo Serb Community, and three (3) members appointed by the Assembly members holding seats reserved for other Communities that are not in the majority in Kosovo.

10.3 The Commission shall establish meaningful mechanisms to inform members of the public about its work. The ICR shall appoint representatives to assist the work of the Commission, including in developing its rules of procedure and evaluating available international models for constitution drafting.

10.4 The Assembly may not formally approve the Constitution until such time as the ICR has certified it as in accordance with the terms of this Settlement. The Assembly of Kosovo shall formally approve the Constitution within 120 days of the entry into force of this Settlement with a two thirds majority of its current members, following appropriate consultations with Assembly members of Communities who are not in the majority in Kosovo. Upon formal approval, the Constitution shall be deemed adopted by the Assembly of Kosovo and shall enter into force on the first day immediately following the end of the transition period, as defined in Article 15.1 of this Settlement.

Article 11 Elections

11.1 No later than 9 months from the entry into force of this Settlement, Kosovo shall organize general and municipal elections in accordance with the terms of this Settlement and the new municipal boundaries, as defined by its Annex III. The elections shall require certification by a competent international authority as having met international standards.

11.2 All persons of voting age on the day of the relevant election who on the date of the entry into force of this Settlement are registered as habitual residents, or those residing outside Kosovo who left Kosovo on or after 1 January 1998 and on the date of the entry into force of this Settlement meet the criteria for being registered as habitual residents, shall have the right to vote in these elections in accordance with the law.

Article 12 International Civilian Representative

12.1 An International Steering Group (ISG) comprising key international stakeholders shall appoint an International Civilian Representative (ICR), and will seek United Nations Security Council endorsement of the appointment. The ICR and the European Union Special Representative (EUSR), appointed by the Council of the European Union, shall be the same person.

12.2 The ISG shall support and give guidance to the International Civilian Representative in fulfilling his/her mandate.

12.3 The ICR shall have overall responsibility for the supervision, and shall be the final authority in Kosovo regarding interpretation of this Settlement, as set forth in Annex IX, in particular Article 2, of this Settlement.

12.4 As set forth in Annex IX of this Settlement, the ICR shall be entrusted to exercise certain powers to ensure and supervise full implementation of this Settlement including the power to take measures, as necessary, to prevent and remedy breaches of this Settlement. Powers shall also be conferred to the European Security and Defense Policy (ESDP) Mission, over which the ICR in his/her capacity as EUSR shall exercise direction, as set forth in Annex IX of this Settlement.

12.5 The ICR shall have the overall coordinating role over the activities of other international organizations in Kosovo insofar as they relate to the ICR's responsibility to monitor and ensure full implementation of this Settlement, as set forth in its Annex IX.

12.6 The mandate of the ICR shall continue until the International Steering Group (ISG) determines that Kosovo has implemented the terms of this Settlement. The ISG shall provide direction on the ultimate phase-out of the ICR.

12.7 The ISG shall conduct its first review of the mandate of the ICR, on the basis of the state of implementation of this Settlement, no later than two years after the entry into force of this Settlement.

Article 13 International Support in the Area of Rule of Law

13.1 The European Union shall establish a European Security and Defense Policy (ESDP) Mission in the field of rule of law.

13.2 The ESDP Mission shall assist Kosovo authorities in their progress towards sustainability and accountability and in further developing and strengthening an independent judiciary, police and customs service, ensuring that these institutions are free from political interference and in accordance with internationally recognized standards and European best practices.

13.3 The ESDP Mission shall support implementation of this Settlement and shall provide mentoring, monitoring and advice in the area of the rule of law generally while retaining certain powers, in particular, with respect to the judiciary, police, customs and correctional services, under modalities and for a duration to be determined by the Council of the European Union, in accordance with Annexes IX and X of this Settlement.

Article 14 International Military Presence

14.1 NATO shall establish an International Military Presence (IMP) to support implementation of this Settlement, as set forth in its Annex XI.

14.2 This IMP shall be a NATO-led force and shall operate under the authority, and be subject to the direction and political control of the North Atlantic Council through the NATO chain of command. NATO's military presence in Kosovo does not preclude a possible future follow-on military mission by another international security organization, subject to a revised mandate.

14.3 The IMP shall cooperate closely with, and support the work of, the ICR, the ESDP Mission, and other international organizations as may be present in Kosovo, to monitor and ensure full implementation of this Settlement.

14.4 The IMP shall be responsible for providing a safe and secure environment throughout the territory of Kosovo, in conjunction with the ICR and in support of the Kosovo institutions, until such time as Kosovo's institutions are capable of assuming responsibility, on a case-by-case basis, for the security tasks performed by the IMP. Kosovo, supported by the ICR and the IMP, shall develop a process to provide a transition plan for hand-over of IMP security responsibilities over time.

14.5 The IMP shall have overall responsibility for the development and training of the Kosovo Security Force, and NATO shall have overall responsibility for the development and establishment of a civilian-led organization of the Government to exercise civilian control over this Force, without prejudice to the responsibilities of the ICR, as set forth in Annex IX of this Settlement.

Article 15 Transitional Arrangements and Final Provisions

15.1 Upon the entry into force of this Settlement, there shall be a 120 day transition period:

a) During the transition period, UNMIK shall continue to exercise its mandate in accordance with relevant UN Security Council (UNSC) resolutions, in consultation with the International Civilian Representative (ICR). During the transition period, KFOR shall continue to exercise its mandate in accordance with relevant UNSC resolutions. The ICR shall have the authority to monitor implementation of the Settlement during the transition period and to make recommendations to UNMIK on actions to be taken to ensure compliance with the Settlement.

b) The Constitutional Framework for Provisional Self-Government and other applicable laws shall remain in effect until the end of the transition period to the extent not inconsistent with this Settlement.

c) The Assembly of Kosovo shall formally approve a new Constitution before the end of this transition period, in accordance with the terms of this Settlement.

d) If, by the end of the transition period, the new Constitution has not been formally approved, UNMIK shall amend the Constitutional Framework for Provisional Self-Government, in accordance with the terms of this Settlement. The amended Constitutional Framework for Provisional Self-Government shall remain in force until such time as the new Constitution is adopted by the Assembly.

e) During the transition period, the Assembly of Kosovo, in consultation with the ICR, shall formally approve the necessary legislation, in particular as set forth in Annex XII of this Settlement, to fully implement the terms of this Settlement. Such legislation, which shall not require the further approval of, or promulgation by UNMIK, shall be deemed formally adopted by the Assembly of Kosovo and shall become effective immediately upon the conclusion of the transition period, if in accordance with this Settlement and the new Constitution or Constitutional Framework for Provisional Self-Government as amended by UNMIK. Until such legislation has become effective, competent authorities in Kosovo shall take all measures necessary to ensure that no actions are taken that contravene the provisions of this Settlement.

f) During the transition period, UNMIK and the ICR, or his/her representative, shall co-chair working groups to formulate with Kosovo the details and modalities of the transfer of authority.

g) At the end of the transition period, UNMIK's mandate shall expire and all legislative and executive authority vested in UNMIK shall be transferred *en bloc* to the governing authorities of Kosovo, unless otherwise provided for in this Settlement. At this time, the ICR and IMP shall assume full responsibility for the exercise of their respective mandates, as set forth in this Settlement.

h) The legal regime governing the resolution of all residual responsibilities of UNMIK shall be established during the transition period by agreement between the UN (UNMIK) and Kosovo, in consultation with the ICR.

15.2 In close cooperation with the ICR, UNMIK shall ensure an orderly transition of the legal framework currently in force to the legal framework established under this Settlement.

15.2.1 UNMIK Regulations promulgated by the SRSG pursuant to UNSC Resolution 1244, including Administrative Directions and Executive Decisions issued by the SRSG, and promulgated laws adopted by the Assembly of Kosovo shall continue to apply, unless otherwise provided for in this Settlement, until their validity expires, or until they are revoked or replaced by legislation regulating the same subject matter in accordance with the provisions of this Settlement.

15.2.2 Kosovo shall continue to be bound, on the basis of reciprocity where appropriate, by all international agreements and other arrangements in the area of international cooperation that were concluded by UNMIK for and on behalf of Kosovo, and which are in effect on the date of the entry into force of this Settlement. Financial obligations undertaken by UNMIK for and on behalf of Kosovo under these agreements or arrangements shall be respected by Kosovo.

ANNEX I
CONSTITUTIONAL PROVISIONS

The future Constitution of Kosovo shall include, but not be limited to, the following principles and elements.

Article 1 Basic Provisions

The Constitution of Kosovo shall:

1.1 Be consistent in all its provisions with this Settlement, and be interpreted in accordance with this Settlement; in the event of a conflict between the provisions of the Constitution and the provisions of this Settlement, the latter shall prevail.

1.2 Incorporate the provisions set forth in Article 1, General Principles, of this Settlement.

1.3 Affirm that Kosovo is a multi-ethnic society based upon the equality of all citizens and the highest level of internationally recognized human rights and fundamental freedoms, as well as the promotion and protection of the rights and contributions of all its Communities and their members.

1.4 Affirm that Kosovo has no official religion and that it shall be neutral on questions of religious beliefs.

1.5 Affirm the responsibility of the Kosovo authorities to promote and facilitate the safe and dignified return of refugees and internally displaced persons from Kosovo, and to assist them in recovering their property and possessions.

1.6 Provide for the right of all citizens of the former Federal Republic of Yugoslavia habitually residing in Kosovo on 1 January 1998 and their direct descendants to Kosovo citizenship regardless of their current residence and of any other citizenship they may hold.

Article 2 Provisions on the Promotion and Protection of Human Rights and Fundamental Freedoms

2.1 The Constitution shall provide that the rights and freedoms set forth in the following international instruments and agreements shall be directly applicable in Kosovo and have priority over all other law; no amendments to the Constitution shall diminish these rights:

Universal Declaration of Human Rights;
European Convention for the Protection of Human Rights and Fundamental Freedoms and its Protocols;
International Covenant on Civil and Political Rights and its Protocols;
Council of Europe Framework Convention for the Protection of National Minorities;
Convention on the Elimination of All Forms of Racial Discrimination;
Convention on the Elimination of all Forms of Discrimination Against Women;

Convention on the Rights of the Child;
Convention against Torture and Other Cruel, Inhumane or Degrading Treatment or Punishment.

2.2 The Constitution shall affirm the principle that all persons in Kosovo are entitled to human rights and fundamental freedoms set forth in Article 2.1 of this Annex without discrimination of any kind on grounds of race, color, sex, language, religion, political or other opinion, national or social origin, association with community, property, birth or other status. It shall also affirm the principle that all persons in Kosovo are equal before the law and are entitled, without any discrimination, to equal protection of the law.

2.3 The Constitution shall incorporate Articles 1 to 3 of the Rights of Communities and their Members, as set forth in Annex II of this Settlement, which shall be directly applicable in Kosovo.

2.4 The Constitution shall provide for the right for individuals claiming that the rights and freedoms granted to them under the Constitution have been violated by a public authority to introduce a claim to the Constitutional Court, following the exhaustion of all other remedies.

Article 3 The Assembly of Kosovo

With regard to the Assembly of Kosovo, the Constitution shall *inter alia* provide that:

3.1 The Assembly shall have 120 members elected by secret ballot, on the basis of open lists, of which 100 shall be distributed amongst all parties, coalitions, citizens' initiatives, and independent candidates in proportion to the number of valid votes received by them in the election to the Assembly. Candidate lists shall have due regard for internationally recognized principles of gender equality, as reflected in the human rights instruments referred to in Article 2 of this Annex.

3.2 For the first two electoral mandates upon the adoption of the Constitution, the Assembly of Kosovo shall have twenty (20) seats reserved for representation of Communities that are not in the majority in Kosovo, as follows: Ten (10) seats shall be allocated to the parties, coalitions, citizens' initiatives and independent candidates having declared themselves representing the Kosovo Serb Community and ten (10) seats shall be allocated to other Communities as follows: the Roma community one (1) seat; Ashkali community one (1) seat; the Egyptian community one (1) seat; and one (1) additional seat will be awarded to either the Roma, the Ashkali or the Egyptian community with the highest overall votes; Bosniak community three (3) seats; Turkish community two (2) seats; and Gorani community one (1) seat. Any seats gained through elections shall be in addition to the ten (10) reserved seats allocated to the Kosovo Serb Community and other Communities respectively.

3.3 After the first two electoral mandates:

3.3.1 Parties, coalitions, citizens' initiatives and independent candidates having declared themselves representing the Kosovo Serb community shall have the total

number of seats won through the open election, with a minimum ten (10) seats guaranteed if the number of seats won is less than ten (10).

3.3.2 Parties, coalitions, citizens' initiatives and independent candidates having declared themselves representing the other Communities shall have the total number of seats won through the open election, with a minimum number of seats guaranteed, as set forth in Article 3.2, if each Community's number of seats won is less than the number of seats provided for in Article 3.2.

3.4 The group of Assembly members holding seats reserved or guaranteed for the Kosovo Serb Community as well as the group of Assembly members holding seats reserved or guaranteed for other Communities shall each have at least one (1) representative in the Presidency of the Assembly.

3.5 At least one vice-chair of each Assembly Committee shall be from a different Community than the chair.

3.6 The current powers and procedures of the Committee on Rights and Interests of Communities shall remain in place. With respect to its composition, members of Communities shall be represented, but no more than one-third (1/3) of the members of the Committee on Rights and Interests of Communities shall represent the group of Assembly members holding seats reserved for the Kosovo Serb Community, and no more than one-third (1/3) of its members shall represent the group of Assembly members holding seats reserved or guaranteed for other Communities that are not in the majority in Kosovo.

3.7 The following laws shall require for their adoption, amendment or repeal both the majority of the Assembly members present and voting and the majority of the Assembly members present and voting belonging to parties, coalitions, citizens' initiatives and independent candidates having declared themselves to represent Communities that are not in the majority in Kosovo as specified in Article 3.2:

a. Laws changing municipal boundaries, establishing or abolishing municipalities, defining the scope of powers of municipalities and their participation in inter-municipal and cross-border relations;
b. Laws implementing the rights of Communities and their members, other than those set forth in the Constitution;
c. Laws on the use of language;
d. Laws on local elections;
e. Laws on the protection of cultural heritage;
f. Laws on religious freedom or on agreements with religious communities;
g. Laws on education;
h. Laws on the use of symbols (including Community symbols) and on public holidays.

3.8 Notwithstanding the provisions of Article 3.7 of this Annex, any such laws required to implement the terms of this Settlement, as set forth in its Annex XII, shall not be subject, in their initial adoption, to the requirements of Article 3.7 of this Annex.

3.9 Neither laws subject to the requirements of Article 3.7 nor any proposal contradicting any provision of this Settlement may be submitted to a referendum.

3.10 The Assembly shall establish its own rules of procedure, which shall be consistent with the principles of openness and transparency in democratic decision-making.

Article 4 The President of Kosovo

With regard to the President of Kosovo, the Constitution shall *inter alia* provide that:

4.1 The President of Kosovo shall represent the unity of the people.

4.2 The President of Kosovo may return once to the Assembly for reconsideration any bill he considers detrimental to the legitimate interests of one or more Communities.

Article 5 The Government of Kosovo

With regard to the Government of Kosovo, the Constitution shall *inter alia* provide that:

5.1 There shall be at least one (1) Minister from the Kosovo Serb Community and one (1) Minister from another Kosovo non-majority Community; if there are more than twelve (12) Ministers, there shall be a third Minister representing a Kosovo non-majority Community.

5.2 There shall be at least two Deputy Ministers from the Kosovo Serb Community and two Deputy Ministers from other Kosovo non-majority Communities; if there are more than twelve (12) Ministers, there shall be a third Deputy Minister representing the Kosovo Serb Community and a third Deputy Minister representing another Kosovo non-majority Community.

5.3 The selection of these Ministers and Deputy Ministers shall be determined after consultations with parties, coalitions or groups representing Communities that are not in the majority in Kosovo. If appointed from outside the membership of the Kosovo Assembly, these Ministers and Deputy Ministers shall require the formal endorsement of the majority of Assembly members belonging to parties, coalitions, citizens' initiatives and independent candidates having declared themselves to represent the Community concerned.

5.4 The composition of the civil service shall reflect the diversity of the people of Kosovo, having due regard for internationally recognized principles of gender equality, as reflected in the human rights instruments referred to in Article 2 of this Annex. An independent oversight board for the civil service shall ensure respect for the rules and principles governing the civil service, and shall itself reflect the diversity of the people of Kosovo.

Article 6 The Constitutional Court and Justice System

With regard to the Constitutional Court of Kosovo, the Constitution shall *inter alia* provide that:

6.1 The Constitutional Court shall be composed of nine judges, which shall be distinguished jurists of the highest moral character.

6.1.1 Six (6) judges shall be appointed by the President on the proposal of the Assembly. Of the six judges appointed for the first term of office following the entry into force of the Constitution, two (2) judges shall serve for a non-renewable term of three years, two (2) judges shall serve for a non-renewable term of six years, and two (2) judges shall serve for a non-renewable term of nine years. Thereafter, each judge appointed to the Constitutional Court shall be appointed for a non-renewable term of nine years. The judges whose terms of office are to expire at the end of the initial periods of three or six years shall be chosen by lot by the President of Kosovo immediately after their appointment.

6.1.2 With respect to four (4) of the six judicial positions, the decision to propose a person as a judge of the Constitutional Court shall require a two-thirds majority within the Assembly; with respect to the other two positions, the consent of the majority of the members of the Assembly including the consent of the majority of the members of the Assembly holding seats reserved or guaranteed for representatives of Communities that are not in the majority in Kosovo, shall be required.

6.1.3 Three international judges shall be appointed by the President of the European Court of Human Rights, upon consultation with the International Civilian Representative.

6.2 Ten or more members of the Assembly among others shall have the right to contest the constitutionality of any law or decision adopted by the Assembly before the Constitutional Court, both as regards its substance and the procedure followed.

6.3 Municipalities may contest the constitutionality of laws or acts of the Government infringing upon their responsibilities or diminishing their revenues before the Constitutional Court.

With regard to the justice system in Kosovo, the Constitution shall *inter alia* provide that:

6.4 Judges and prosecutors shall be appointed and dismissed by the President of Kosovo only upon the proposal of the Kosovo Judicial Council (KJC). All vacancies for judicial and prosecutorial positions must be publicly advertised and open to all qualified applicants, who will be selected for proposal by the KJC on the basis of merit in accordance with applicable law and the provisions of Article 6.6 of this Annex.

6.5 The Kosovo Judicial Council shall have full independence in the performance of its functions for the purpose of ensuring an integrated, independent, professional and impartial justice system, ensuring access of all persons in Kosovo to justice and guaranteeing that the Kosovo justice system is inclusive and fully reflects the multi-ethnic nature of Kosovo. This shall not prejudice the establishment, at a later stage, of a separate entity responsible for matters related to the appointment, disciplining and dismissal of prosecutors, which, if established, shall enjoy the same independence in the performance of its functions.

6.6 In relation to the recruitment, selection, appointment, promotion and transfer of judges and prosecutors, the relevant Kosovo authorities shall ensure that the Kosovo judiciary and prosecution service reflect the multiethnic character of Kosovo and the need for equitable representation of all Communities in Kosovo, having due regard for internationally recognized principles of gender equality, as reflected in the human rights instruments referred to in Article 2 of this Annex.

6.7 The current powers and role of the Ombudsperson shall remain in place.

Article 7 The Central Election Commission

7.1 The Central Election Commission shall have eleven (11) members, including the Chair of the Central Election Commission who shall be appointed by the President of Kosovo from among the members of the Supreme Court and the District Courts.

7.2 Six (6) members shall be appointed by the six biggest parliamentary groups represented in the Assembly which were not entitled to participate in the distribution of the reserved seats. If fewer groups are represented in the Assembly, the biggest group or groups may appoint (an) additional member(s). One (1) member shall be appointed by the Assembly members holding seats reserved or guaranteed for the Kosovo Serb Community, and three (3) members by the Assembly members holding seats reserved or guaranteed for other Communities that are not in the majority in Kosovo.

Article 8 Decentralization/Local Self-Government

With regard to local self-government in Kosovo, the Constitution shall *inter alia* provide that:

8.1 Kosovo shall be composed of municipalities, which shall enjoy a high degree of local self-government and which encourage and provide for the active participation of all citizens in democratic life.

8.2 Competencies and boundaries of municipalities shall be set by law.

8.3 Municipalities have the right to local sources of revenue and the receipt of appropriate funding from central authorities.

8.4 Municipalities have the right to inter-municipal and cross-border cooperation in the areas of their own and enhanced competencies.

Article 9 Economic Provisions

With regard to the economic/financial sector of Kosovo, the Constitution shall *inter alia* provide that:

9.1 Kosovo shall use one currency as legal tender.

9.2 Kosovo shall have an independent central banking authority.

9.3 Kosovo shall establish independent market regulatory bodies.

Article 10 Constitutional Amendments

With regard to amendments to the Constitution, the Constitution shall *inter alia* provide that:

10.1 Any amendment to the Constitution shall require the approval of two-thirds of the members of the Assembly including two-thirds of the Assembly members holding seats reserved or guaranteed for the representatives of Communities that are not in the majority in Kosovo.

10.2 No amendment to the Constitution may diminish any of the rights and freedoms referred to in Article 2 of this Annex.

Article 11 Transitional Provisions

The Constitution shall also provide that all authorities in Kosovo shall give effect to decisions or acts of the international authority mandated to supervise implementation of the Settlement and shall abide by all of Kosovo's obligations under the Settlement.

ANNEX II
THE RIGHTS OF COMMUNITIES AND THEIR MEMBERS

Article 1 Basic Provisions

1.1 Inhabitants belonging to the same national or ethnic, linguistic, or religious group traditionally present on the territory of Kosovo (Communities) shall have specific rights as set forth in this Annex, in addition to the human rights and fundamental freedoms provided for in Article 2 of Annex I of this Settlement.

1.2 Every member of a Community shall have the right freely to choose to be treated or not to be treated as such and no discrimination shall result from this choice or from the exercise of the rights which are connected to that choice.

1.3 Members of Communities shall have the right to freely express, foster and develop their identity and community attributes.

1.4 The exercise of these rights shall carry with it duties and responsibilities to act in accordance with Kosovo law, and shall not violate the rights of others.

Article 2 Obligations for Kosovo

2.1 Kosovo shall create appropriate conditions enabling Communities, and their members to preserve, protect and develop their identities. The Government shall in particular support cultural initiatives from Communities and their members, including through financial assistance.

2.2 Kosovo shall promote a spirit of tolerance, dialogue and support reconciliation between Communities and respect the standards set forth in the Council of Europe Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages.

2.3 Kosovo shall take all necessary measures to protect persons who may be subject to threats or acts of discrimination, hostility or violence as a result of their national, ethnic, cultural, linguistic or religious identity.

2.4 Kosovo shall adopt adequate measures as may be necessary to promote, in all areas of economic, social, political and cultural life, full and effective equality between members of Communities. Such measures shall not be considered to be an act of discrimination.

2.5 Kosovo shall promote the preservation of the cultural and religious heritage of all Communities as an integral part of the heritage of Kosovo. Kosovo shall have a special duty to ensure an effective protection of the sites and monuments of cultural and religious significance to the Communities.

2.6 Kosovo shall take effective actions against all those undermining the enjoyment of the rights of members of Communities. Kosovo shall refrain from policies or practices aimed

at assimilation of persons belonging to Communities against their will, and shall protect these persons from any action aimed at such assimilation.

2.7 Kosovo shall ensure, on a non-discriminatory basis, that all Communities and their members may exercise their rights specified hereinafter.

Article 3 Rights of Communities and their Members

3.1 Members of Communities shall have the right, individually or in Community, to:

a. Express, maintain and develop their culture and preserve the essential elements of their identity, namely their religion, language, traditions and culture;

b. Receive public education in one of the official languages of Kosovo of their choice at all levels;

c. Receive pre-school, primary and secondary public education in their own language to the extent prescribed by law, with the thresholds for establishing specific classes or schools for this purpose being lower than normally stipulated for educational institutions;

d. Establish and manage their own private educational and training establishments for which public financial assistance may be granted, in accordance with the law and international standards;

e. Use their language and alphabet freely in private and in public;

f. Use of their language and alphabet in their relations with the municipal authorities or local offices of central authorities in areas where they represent a sufficient share of the population in accordance with the law. The costs incurred by the use of an interpreter or a translator shall be borne by the competent authorities;

g. Use and display Community symbols, in accordance with the law and international standards;

h. Have personal names registered in their original form and in the script of their language as well as revert to original names that have been changed by force;

i. Have local names, street names and other topographical indications which reflect and are sensitive to the multi-ethnic and multi-linguistic character of the area at issue;

j. A guaranteed access to, and special representation in, public broadcast media as well as programming in their language, in accordance with the law and international standards;

k. To create and use their own media, including to provide information in their language through, *inter alia*, daily newspapers and wire services, and the use of a reserved number of frequencies for electronic media in accordance with the law and international standards. Kosovo shall take all measures necessary to secure an international

frequency plan to allow the Kosovo Serb Community access to a licensed Kosovo-wide independent Serbian language television channel;

l. Enjoy unhindered contacts among themselves within Kosovo and establish and maintain free and peaceful contacts with persons in any States, in particular those with whom they share an ethnic, cultural, linguistic or religious identity, or a common cultural heritage, in accordance with the law and international standards;

m. Enjoy unhindered contacts with, and participate without discrimination in the activities of local, regional and international non-governmental organizations;

n. Establish associations for culture, art, science and education as well as scholarly and other associations for the expression, fostering and development of their identity.

Article 4 Participation of Communities and Their Members in Public Life and Decision-Making

4.1 Communities and their members shall be represented in the Assembly. Legislation specifically designated by the Constitution may not be enacted or amended without the consent of the majority of the members of the Assembly holding seats reserved or guaranteed for Communities, as set forth in Article 3.7 of Annex I.

4.2 The composition of the Government and the appointment process of judges and prosecutors shall provide for specific modalities ensuring the participation of Communities and their members, as set forth in Annexes I and IV.

4.3 There shall be a Community Consultative Council under the auspices of the President of Kosovo in which all Communities shall be represented. This Community Consultative Council shall be composed, *inter alia*, of representatives of associations of Communities. The mandate of the Community Consultative Council shall include the following:

4.3.1 Provide a mechanism for regular exchange between the Communities and the Kosovo Government;

4.3.2 Afford to the Communities the opportunity to comment at an early stage on legislative or policy initiatives that may be prepared by Government, to suggest such initiatives, and to seek to have their views incorporated in the relevant projects and programs;

4.3.3 Any other responsibilities and functions as provided for in this Settlement, or in accordance with law.

4.4 Communities and their members shall be entitled to equitable representation in employment in public bodies and publicly owned enterprises at all levels, including in particular in the police service in areas inhabited by the respective Community, while respecting the rules concerning competence and integrity that govern public administration.

4.5 In municipalities where at least ten per cent (10%) of the residents belong to Communities not in the majority in those municipalities, a post of Vice President of the

Municipal Assembly for Communities shall be reserved for a representative of these communities. The position of Vice President shall be held by the non-majority candidate who received the most votes on the open list of candidates for election to the Municipal Assembly. The Vice President for Communities shall promote inter-Community dialogue and serve as formal focal point for addressing non-majority Communities' concerns and interests in meetings of the Assembly and its work. The Vice President shall also be responsible for reviewing claims by Communities or their members that the acts or decisions of the municipal assembly violate their constitutionally guaranteed rights. The Vice President shall refer such matters to the Municipal Assembly for its reconsideration of the act or decision. In the event the Municipal Assembly chooses not to reconsider its act or decision, or the Vice President deems the result, upon reconsideration, to still present a violation of a constitutionally guaranteed right, the Vice President may submit the matter directly to the Constitutional Court, which may decide whether or not to accept the matter for review.

ANNEX III
DECENTRALIZATION

To address the legitimate concerns of the Kosovo Serb and other Communities that are not in the majority in Kosovo and their members, encourage and ensure their active participation in public life, and strengthen good governance and the effectiveness and efficiency of public services throughout Kosovo, an enhanced and sustainable system of local self-government in Kosovo shall be established in accordance with the following principles and provisions:

Article 1 Basic Provisions

1.1 Local self-government in Kosovo shall be based upon the principles of the European Charter of Local Self-Government and, in particular, the principle of subsidiarity.

1.2 Local self-government in Kosovo shall protect and promote internationally recognized human rights standards, having particular regard for the needs of the non-majority Communities and their members in Kosovo.

1.3 The main principles of decentralization shall be enshrined in the Constitution, as set forth in Article 8 of Annex I of this Settlement.

Article 2 Kosovo Legislation on Local Self-Government

2.1 Kosovo shall enact a new Law on Local Self-Government within 120 days of the entry into force of this Settlement that reinforces the powers and organization of municipalities as set forth in this Annex, and in accordance with Annex XII.

2.2 Kosovo shall enact a new Law on Municipal Boundaries within 120 days of the entry into force of this Settlement, which shall delineate the new municipalities as set forth in this Annex, and in accordance with Annex XII.

2.3 Kosovo shall enact basic legislation, in accordance with the principles set forth in this Annex, in order to ensure equitable treatment and minimum standards for all municipalities with regard to the regulation and management of the public affairs under their own responsibilities, respecting, in particular, the principle of subsidiarity, and having due regard for the municipalities' and the central government's fiscal sustainability.

Article 3 Municipal Competencies

3.1 Municipalities in Kosovo shall have full and exclusive powers, insofar as they concern the local interest, while respecting the standards set forth in the applicable legislation in the following areas (hereinafter referred to as their own competencies):

a. Local economic development;
b. Urban and rural planning;

c. Land use and development;
d. Implementation of building regulations and building control standards;
e. Local environmental protection;
f. Provision and maintenance of public services and utilities, including water supply, sewers and drains, sewage treatment, waste management, local roads, local transport, and local heating schemes;
g. Local emergency response;
h. Provision of public pre-primary, primary and secondary education, including registration and licensing of educational institutions, recruitment, payment of salaries and training of education instructors and administrators;
i. Provision of public primary health care;
j. Provision of family and other social welfare services, such as care for the vulnerable, foster care, child care, elderly care, including registration and licensing of these care centers, recruitment, payment of salaries and training of social welfare professionals;
k. Public housing;
l. Public health;
m. Licensing of local services and facilities, including those related to entertainment, cultural and leisure activities, food, lodging, markets, street vendors, local public transportation and taxis;
n. Naming of roads, streets and other public places;
o. Provision and maintenance of public parks and spaces;
p. Tourism;
q. Cultural and leisure activities;
r. Any matter which is not explicitly excluded from their competence nor assigned to any other authority.

Article 4 Enhanced Municipal Competencies

4.1 Certain municipalities in Kosovo shall have their own competencies enhanced as follows:

4.1.1 The municipality of Mitrovicë/Mitrovica North shall have competence for higher education, including registration and licensing of educational institutions, recruitment, payment of salaries and training of education instructors and administrators;

4.1.2 The municipalities of Mitrovicë/Mitrovica North, Graçanicë/Gracanica, Shtërpcë/Štrpce shall have competence for provision of secondary health care, including registration and licensing of health care institutions, recruitment, payment of salaries and training of health care personnel and administrators;

4.1.3 All municipalities in which the Kosovo Serb Community is in the majority shall have:

a. Authority to exercise responsibility for cultural affairs, including protection and promotion of Serbian and other religious and cultural heritage within the municipal territory, as well as support for local religious communities, in accordance with the provisions of Annex V of this Settlement;
b. Enhanced participatory rights in the appointment of Police Station Commanders, as set forth in Article 2.6 of Annex VIII of this Settlement.

4.2 With respect to these enhanced competencies, Kosovo shall enact framework legislation to provide for equal access to public services; minimum quality and quantity standards in the provision of public services; minimum qualifications of personnel and training facilities; general principles on licensing and accreditation of public service providers.

4.3 Municipalities exercising enhanced municipal competencies may cooperate with any other municipality in providing such services.

Article 5 Delegated Municipal Competencies

5.1 Central authorities in Kosovo shall delegate responsibility over the following competencies to municipalities, in accordance with the law:

a. Cadastral records;
b. Civil registries;
c. Voter registration;
d. Business registration and licensing;
e. Distribution of social assistance payments (excluding pensions); and
f. Forestry protection;

5.2 Central authorities may delegate additional competences to municipalities, as appropriate, in accordance with the law.

Article 6 Administrative Review of Municipal Activities

6.1 Administrative review by central authorities of municipal activities in the areas of their own competencies shall be limited to ensuring compliance with the Constitution of Kosovo and applicable law.

6.1.1 The supervising administrative authority may request that the municipality re-examine a decision or other act considered to be inconsistent with the Constitution or laws adopted in accordance with this Settlement. Such a request shall state the alleged violations of the Constitution or law. The request shall not suspend the execution of the municipal decision or other act at issue.

6.1.2 If, pursuant to a request made under Article 6.1.1 of this Annex, the municipality accepts the request, it may decide to suspend the execution of the decision or other act pending deliberation by the municipal authorities.

6.1.3 If the municipality rejects the request or upholds its decision or act on review, the supervising administrative authority may challenge the decision or other act in the District Court competent for the territory of the municipality. The District Court may order, by interim measure, that application of the contested decision or other act be suspended.

6.2 With respect to delegated municipal competencies, central authorities may review the expediency of a given municipal decision or other act, in addition to its compliance with the Constitution of Kosovo and with legislation adopted in accordance with this Settlement, and may subsequently suspend, modify, or replace, as appropriate, the execution of a municipal decision or other act.

Article 7 Education

7.1 With respect to educational curricula in Kosovo schools taught in the Serbian language:

7.1.1 Schools that teach in the Serbian language may apply curricula or text books developed by the Ministry of Education of the Republic of Serbia upon notification to the Kosovo Ministry of Education, Science and Technology.

7.1.2 In the event of an objection by the Kosovo Ministry of Education, Science and Technology to the application of a particular curriculum or text book, the matter shall be referred to an independent commission to review the said curriculum or text book to ensure conformity with the Constitution of Kosovo and legislation adopted in accordance with this Settlement.

7.1.3 The independent commission shall be comprised of three (3) representatives selected by Members of the Assembly of Kosovo holding seats reserved or guaranteed for the Kosovo Serb Community, three (3) representatives selected by the Kosovo Ministry of Education, Science and Technology, and one (1) international member selected by and representing the International Civilian Representative.

7.1.4 The commission shall take all decisions by a majority vote, and its Chairmanship shall rotate between a representative selected by Members of the Assembly of Kosovo holding seats reserved or guaranteed for the Kosovo Serb Community and a representative selected by the Kosovo Ministry of Education, Science and Technology every year.

7.2 With respect to the public Serbian language university:

7.2.1 The university of Mitrovicë/Mitrovica North shall be an autonomous institution of higher learning. The university shall enact a statute to specify its internal organization and governance, and procedures and interaction with public authorities, in accordance with central framework legislation, which shall be examined by an independent commission as set forth in Article 7.2.2 of this Annex.

7.2.2 Decisions on the conformity of the statute with central framework legislation, European standards and best practices and on matters concerning the accreditation

of the university within the Kosovo university system shall be taken by an independent commission comprised of three (3) representatives selected by the university, three (3) representatives selected by the Kosovo Ministry of Education, Science and Technology, and one (1) international member selected by and representing the International Civilian Representative. The commission shall take all decisions by majority vote, and its Chairmanship shall rotate between a representative selected by the university and a representative selected by the Kosovo Ministry of Education, Science and Technology every year.

7.2.3 The municipality of Mitrovicë/Mitrovica North shall have authority to exercise responsibility for this public Serbian language university, in accordance with Article 4.1.1 of this Annex. The University shall have a Board consisting of nine (9) members, of which two (2) shall be appointed by the municipality, and five (5) shall be elected from among the faculty and/or student body of the University. The remaining two (2) members shall be appointed in a manner to be determined by the statute of the University. The municipality shall also ensure that the university receive adequate premises and funding for its operation.

7.2.4 The municipality of Mitrovicë/Mitrovica North may cooperate with any other municipality in operating the university.

Article 8 Local Finance

8.1 Municipalities shall have the right to determine the structure and size of their own budgets covering tasks falling within their competencies. Central legislation shall set forth the basic public financial management and accountability requirements applicable to all municipalities, in accordance with international standards.

8.2 Municipalities shall be entitled to financial resources of their own, which shall include the authority to levy and collect local taxes, charges and fees. The municipalities shall not levy or collect customs duties, taxes on revenues of natural and legal persons, VAT and excise duties, taxes on capital other than tax on immovable property situated within the municipality, or any charges having an equivalent effect as such duties and taxes.

8.3 The existing system of primarily earmarked central grants shall be revised to include a fair and transparent block grant system, ensuring greater municipal autonomy in the allocation and expenditure of central funds.

8.3.1 The distribution formula for block grants shall provide for a reasonable degree of stability in municipal income, an appropriate measure of equalization between municipalities with different tax bases, and an adequate allocation of resources for the non-majority communities in the respective municipalities.

8.3.2 The distribution formula for block grants shall take into account, *inter alia*, the physical size of the municipality, the number of inhabitants including the number of members of Communities that are not in the majority in the municipality, and the relative access of the inhabitants of the municipality to public services.

8.3.3 The basis of the block grants as a percentage of the total budget of the Government and the distribution formula shall be set by law in accordance with international standards.

8.4 Notwithstanding the provisions of Article 8.3 of this Annex, municipalities with responsibilities for enhanced competencies, as set forth in Article 4 of this Annex, shall be entitled to additional central funds within limits determined by the minimum quality and quantity standards for the provision of public services related to the exercise of these responsibilities, in accordance with central framework legislation.

8.5 Municipalities shall ensure independent and objective internal audits at least once a year, and shall be subject to random, independent, external audits performed by an autonomous authority to ensure effective management of public resources, the results of which shall be made public.

Article 9 Inter-Municipal Cooperation

9.1 Based upon the principles of the European Charter of Local Self-Government, municipalities shall be entitled to cooperate and form partnerships with other Kosovo municipalities to carry out functions of mutual interest, in accordance with the law.

9.1.1 Municipal responsibilities in the areas of their own and enhanced competencies may be exercised through municipal partnerships, with the exception of the exercise of fundamental municipal authorities, such as election of municipal organs and appointment of municipal officials, municipal budgeting, and the adoption of regulatory acts enforceable on citizens in general;

9.1.2 Municipal partnerships may take all actions necessary to implement and exercise their functional cooperation through, *inter alia*, the establishment of a decision making body comprised of representatives appointed by the assemblies of the participating municipalities, the hiring and dismissal of administrative and advisory personnel, and decisions on funding and other operational needs of the partnership;

9.1.3 Partnership decisions and activities shall be subject to reporting requirements to the competent central authority and administrative review for compliance with legislation, in accordance with Article 6.1 of this Annex.

9.2 Based upon the principles of the European Charter of Local Self-Government, municipalities shall be entitled to form and participate in an association of Kosovo municipalities for the protection and promotion of their common interests, in accordance with the law.

9.2.1 Membership in such associations shall be limited to Kosovo municipalities. Such associations may cooperate with their international counterparts.

9.2.2 Such associations may offer to its members a number of services, including training, capacity building, technical assistance, research related to municipal competencies and policy recommendations.

9.3 Municipalities engaged in a partnership or association pursuant to the provisions of Articles 9.1 and 9.2 of this Annex shall make public all information concerning the activities and budget of the partnership/association, in accordance with the law.

Article 10 Cooperation with Institutions in the Republic of Serbia

10.1 Municipalities shall be entitled to cooperate, within the areas of their own competencies, with municipalities and institutions, including government agencies, in the Republic of Serbia. Such cooperation may take the form of the provision by Serbian institutions of financial and technical assistance, including expert personnel and equipment, in the implementation of municipal competencies.

10.2 Municipalities shall notify the Kosovo Ministry of Local Government Administration in advance of any intention to engage in such cooperation. The notification shall include the draft agreement between the municipality and its proposed Serbian partner institution.

10.3 The draft cooperation agreement shall define the areas of the envisaged cooperation, the provision of expert personnel and equipment, the level of funding and its processing mechanisms, and other relevant procedural arrangements, in accordance with public financial management requirements applicable to all municipalities.

10.4 Such intention to cooperate and attendant draft agreement may be subject to review by the Kosovo Ministry of Local Government Administration of its compliance with central framework legislation. Notwithstanding the provisions of Articles 6.1 of this Annex, the Ministry, pursuant to such review, may enjoin amendments to the draft cooperation agreement, or, if a serious breach of the law cannot be remedied otherwise, the Ministry may suspend the intended cooperation. The municipality may challenge such Ministry action in the District Court competent for the territory of the municipality.

10.5 Partnerships between Kosovo municipalities shall be entitled to direct relations with institutions in the Republic of Serbia only to the extent necessary to implement practical activities of the partnership.

10.6 A joint Republic of Serbia/Kosovo commission shall be established to foster such cooperation with institutions in the Republic of Serbia and address particularly sensitive issues between Pristina and Belgrade related to this cooperation.

Article 11 Funding of Municipal Activities by the Republic of Serbia

11.1 Municipalities shall be entitled to receive financial assistance from the Republic of Serbia, subject to the following provisions:

11.1.1 Any financial assistance to Kosovo municipalities from the Republic of Serbia shall be limited in their purpose to the exercise of a municipality's responsibilities in the areas of its own competencies, and shall be transparent and made public.

11.1.2 Municipalities may receive financial assistance from the Republic of Serbia through accounts in commercial banks, certified by the Central Banking Authority of Kosovo. Any receipts shall be notified to the Central Treasury.

11.1.3 Municipalities receiving financial assistance from the Republic of Serbia shall report this assistance, together with the corresponding expenditures, in their municipal budgets.

11.1.4 Financial assistance from the Republic of Serbia to Kosovo municipalities shall not offset the allocation of grants and other resources provided to municipalities pursuant to Articles 8.3 and 8.4 of this Annex, and shall not be subject to taxes, fees or surcharges of any kind imposed by any central authority.

11.2 Individualized transfers, including pensions, to individual Kosovo citizens may be effected with funding from the Republic of Serbia.

Article 12 Establishment of New Municipalities

12.1 New municipalities shall be established, as delineated in the attachment to this Annex, and shall be set forth in a new Law on Municipal Boundaries.

12.2 Upon the entry into force of the Law on Municipal Boundaries, the Kosovo authorities and the International Civilian Representative (ICR) shall take all necessary preparations to ensure that, by the time of local elections, resources, properties, and administrative structures required for the establishment and functioning of these new municipalities have been allocated and established. Such preparations shall include the following:

12.2.1 The ICR shall appoint, in consultation with the local Communities in the new municipalities, or, in the case of Novo Brdo, in the new cadastral zones, and the Ministry of Local Government Administration, Municipal Preparation Teams (MPTs) to prepare for the establishment of their respective new municipalities and other related tasks as requested by the ICR.

12.2.2 During such preparations, executive functions with respect to the new municipalities and the provision of public services to them shall remain with the former municipalities, in consultation with the MPTs.

12.2.3 With respect to the current municipality of Mitrovicë/Mitrovica, arrangements for the establishment of Mitrovicë/Mitrovica North shall consist of those as set forth in Article 13 of this Annex.

12.2.4 These and other transitional arrangements between former and new municipalities shall be set forth in the Law on Municipal Boundaries.

12.3 Immediately upon the completion of local elections, all executive functions and competencies shall be transferred from the former municipalities to the newly-elected governments of the new municipalities, in accordance with this Settlement. The Kosovo central authorities shall ensure that all funding for the new municipalities is allocated to and

received by them, and shall take all necessary measures to ensure that the new municipalities may begin to operate as effective territorial units of local self-government.

12.4 Notwithstanding the provisions of Article 12.1 of this Annex, Kosovo shall engage in consultations with a non-majority Community where that Community makes up at least 75% of the population of a concentrated settlement with a minimum total population of 5000 inhabitants, with a view to establishing other new municipalities.

Article 13 Mitrovicë/Mitrovica

13.1 In the territory of the current municipality of Mitrovicë/Mitrovica, two new municipalities, Mitrovicë/Mitrovica North and Mitrovicë/Mitrovica South, shall be established, with the respective municipal boundaries as delineated in the attachment to this Annex.

13.2 A Joint Board of the municipalities of Mitrovicë/Mitrovica North and Mitrovicë/Mitrovica South shall be established to carry out functional cooperation in the areas of their own competencies as agreed by the municipalities.

13.3 The Joint Board shall consist of eleven (11) members, with five (5) representatives selected by each municipality, and one (1) international representative selected by the ICR. The Joint Board shall be chaired by the international representative.

13.4 The ICR shall establish a field office in Mitrovicë/Mitrovica, which shall focus, in particular, on the areas of security/rule of law, freedom of movement/returns, property rights/housing, and economic development, as set forth in Annex IX of this Settlement.

13.5 During the 120-day transition period, the SRSG shall create provisional municipal structures, in coordination with the ICR, for the new municipality of Mitrovicë/Mitrovica North, with its boundaries as delineated in the attachment to this Annex. Upon the conclusion of the transition period, such provisional municipal structures shall be under the authority of the ICR, until the time of the first local elections in that municipality.

Article 14 Population Census and Review of Decentralization Provisions

14.1 One year after the entry into force of this Settlement, Kosovo, in consultation with the ICR, shall call a population census, which shall be carried out in accordance with international standards and subject to international observation. In this context, the Republic of Serbia and other neighboring countries should authorize the registration by an international agency of refugees and internally displaced persons (IDPs) wishing to return to Kosovo.

14.2 The provisions of this Annex related to the establishment of new municipalities, including their boundaries, may be reviewed, and revised as necessary, by the ICR, in close coordination with the Government of Kosovo and the Community Consultative Council, within six months of the submission of final results of the Kosovo census. The review shall consider demographic developments in, and, in particular, refugee and IDP returns to municipalities, as well as the functionality and sustainability of municipal authorities and their activities.

ATTACHMENT TO ANNEX III
DELINEATION OF NEW MUNICIPALITIES

The cadastral zones (CZ) forming each municipality are set out hereinafter:

Graçanicë/Gracanica (16)
CZ Badoc/Badovac
CZ Banushë/Banuse
CZ Çagllavicë/Caglavica (as delineated in the map III A[1])
CZ Dobratin/Dobrotin
CZ Graçanicë/Gracanica
CZ Gushtericë e Ulë/Donja Gušterica
CZ Gushtericë e Epërme/Gornje Gušterica
CZ Llapllasellë/Lapjle Selo
CZ Lepi/Lepina
CZ Livagjë/Livade
CZ Preoc/Preoce
CZ Skullan/Skulanevo
CZ Sushicë/Sušica
CZ Suhadoll/Suvi Do
CZ Radevë/Radevo
CZ Uglar/Ugljare

Novobërdë/Novo Brdo (24)
CZ Bostan/Bostane
CZ Bolec/Boljevce
CZ Bushincë/Bušince
CZ Carevc/Carevce
CZ Draganc̈ë/Draganac
CZ Izvor/Izvor
CZ Jasenovik/Jasenoivik
CZ Kllobukar/Klobukar
CZ Koretishtë/Koretište
CZ Kufcë e Epërm/Gornje Kusce.
CZ Llabjan/Labljane
CZ Makresh i Ultë/Donji Makreš
CZ Makresh i Epërm/Gornj Makreš
CZ Manishincë/Manišince
CZ Miganoc/Miganovce
CZ Mozgovë/Mozgovo
CZ Novobërdë/Novo Brdo
CZ Parallovë/Paralovo
CZ Prekoc/Prekovce
CZ Stanishor/Stanišor
CZ Strazhë/Straža
CZ Tërniqec/Trnicevce
CZ Tirincë/Tirince
CZ Zebincë/Zebince

[1] See S/2007/168/Add.2.

Ranillug/Ranilug (13)
CZ Bozhec/Boževce
CZ Domoroc/Domorovce
CZ Drenoc/Drenovce
CZ Gllogoc/Glogovce
CZ Hodec/Odevce
CZ Kormnjan i Epërm/Gornje Korminjane
CZ Kormnjan i Poshtëm/Donje Korminjane
CZ Pançellë/Pancelo
CZ Rajanoc/Rajanovce
CZ Ranillug/Ranilug
CZ Ropotovë e Madhe/Veliko Ropotovo
CZ Ropotovë e Vogël/Malo Ropotovo,
CZ Tomanc/Tomance

Partes/Parteš (3)
CZ Budrikë e Poshtme/Donja Budriga
CZ Pasjan/Pasjane
CZ Partes/Parteš

Kllokot/Vërboc – Klokot/Vrbovac (8)
CZ Gërnçar/Grncar
CZ Kllokot/Klokot
CZ Mogillë/Mogila
CZ Vërboc/Vrbovac

Mitrovicë/Mitrovica North

CZ Mitrovicë/Mitrovica (as delineated in the maps III B and C[1])
CZ Suhodoli I Epërm/Gornji Suvi Do (as delineated in the maps III B and C[1])
CZ Suhodoli I Poshtërn/Donji Suvi Do (as delineated in the maps III B and C[1])

ANNEX IV
JUSTICE SYSTEM

Article 1 Court Structure

1.1 The Supreme Court shall ensure the uniform application of the law by deciding on appeals brought in accordance with the law. At least fifteen per cent (15%) of the judges of the Supreme Court, but in no case fewer than three (3) judges, shall be from Communities that are not in the majority in Kosovo.

1.2 At least fifteen per cent (15%) of the judges of each District Court, but in no case fewer than two (2) judges, shall be from Communities that are not in the majority in Kosovo.

1.3 If there is no basic court on the territory of one of the new municipalities established pursuant to Annex III, that municipality may, by decision of the Municipal Assembly, submit a request to the Kosovo Judicial Council (KJC) for a decision on the establishment of a basic court within its territory, or for one of the existing basic courts on the territory of another municipality to have jurisdiction for the territory of the new municipality. An existing municipality, where the majority of the population belongs to a Community that is not in the majority in Kosovo and which does not have a basic court of its own, shall have the same right.

1.3.1 The KJC shall grant such requests unless, in the case of a request for a new basic court, the weighted caseload for that jurisdiction would be insufficient to justify the existence of a separate court.

1.3.2 If a request for the establishment of a new basic court is granted by the KJC, the competent authorities shall take all necessary measures to ensure that any new court is established and functioning within a period of six months from the date of the decision.

1.3.3 If a request for the establishment of a new basic court is not granted by the KJC, or if the municipality requests an existing court to have jurisdiction for its territory, the competent authorities shall take all necessary measures to improve access to justice for local communities made difficult by reason of geographical isolation, lack of security or other relevant factors. Such measures may include the establishment in the territory of the new municipality of a Department of an existing basic court that the new municipality has requested to have jurisdiction for its territory, or provide for the holding of sessions in the territory of the new municipality of this basic court.

Article 2 Judges and Prosecutors

2.1 The composition of the judiciary and the prosecution service shall reflect the ethnic diversity of Kosovo and the need for equitable representation of all Communities, having due regard for internationally recognized principles of gender equality, as reflected in the human rights instruments referred to in Article 2 of Annex I of this Settlement.

2.2 Kosovo judicial institutions shall, in particular, reflect the ethnic composition of their area of jurisdiction. The Kosovo Judicial Council shall take such measures as are necessary with a view to increasing the number of judges and prosecutors from Kosovo Communities that are currently underrepresented among judges and prosecutors serving in Kosovo or in any part thereof.

2.2.1 To fulfill its responsibilities to this end, the KJC shall, *inter alia*, give preference, among equally qualified applicants for service as judges or prosecutors, to members of underrepresented Communities.

2.2.2 The preference for equally qualified candidates from underrepresented Communities shall apply as long as the percentage of judges and prosecutors who are members of Communities that are not in the majority in Kosovo is below 15%, and/or the percentage of judges and prosecutors who are members of the Kosovo Serb Community is below 8%.

Article 3 The Judicial and Prosecutorial Appointment Process

3.1 The on-going, one-time, comprehensive, Kosovo-wide review of the suitability of all applicants for permanent appointments, until the retirement age determined by law, as judges and public prosecutors in Kosovo (the "Appointment Process"), shall continue to be carried out in accordance with Administrative Direction 2006/18 [2] and shall not be affected by the termination of UNMIK's mandate or the entry into force of the new Constitution, as set forth in Article 15 of this Settlement, except to the extent provided for in this Annex.

3.1.1 All successful candidates who have been appointed or reappointed as judges and prosecutors by the SRSG as part of the Appointment Process shall continue to serve in their posts until the natural expiration of their appointment, or until such time as they are dismissed in accordance with the law.

3.1.2 Following the termination of UNMIK's mandate, as described in Article 15 of this Settlement, the Independent Judicial and Prosecutorial Commission (IJPC) shall submit recommendations on candidates for appointment or reappointment as judges and prosecutors in writing to the Kosovo Judicial Council (KJC), which shall exercise final authority to propose to the President of Kosovo candidates for appointment or reappointment as judges and prosecutors.

3.1.3 All successful candidates who have been appointed or reappointed as judges and prosecutors by the President of Kosovo on the proposal of the KJC as part of the Appointment Process shall continue to serve in their posts until the natural expiration of their appointment, or until such time as they are dismissed in accordance with the law.

3.2 At the conclusion of the transition period provided for in Article 15 of this Settlement, the composition of the KJC, and its procedures in the Appointment Process regarding the

[2] Implementing UNMIK Regulation No. 2006/25 on a Regulatory Framework for the Justice System in Kosovo.

selection of judges for judicial positions that are reserved for members of Communities that are not in the majority in Kosovo, shall be established and carried out in accordance with the provisions of Article 4 of this Annex.

Article 4 The Kosovo Judicial Council

4.1 There shall be a Kosovo Judicial Council (KJC) responsible, *inter alia*, for decisions on the proposal of candidates for judicial office, promotion and transfer of judges and, for disciplinary proceedings against judges. The powers and procedures of the KJC, including on matters related to the discipline and dismissal of its own members, shall be determined by law. The KJC shall have full independence in the performance of its functions.

4.2 The KJC shall be composed of thirteen (13) members.

4.2.1 Among those thirteen, five (5) members shall consist of the Kosovan members of the IJPC who have been vetted by the IJPC as part of Phases 1 and 2 of the Appointment Process, in accordance with Administrative Direction 2006/18. Of these five members, one (1) judge and one (1) prosecutor, randomly selected, shall serve on the KJC until the natural expiration of their existing mandates, at which time they shall be replaced by one (1) judge and one (1) prosecutor vetted by the IJPC and elected by their peers following methods intended to ensure the widest representation of the judiciary and prosecutorial service. The remaining two (2) judges and one (1) prosecutor, from among the five Kosovan IJPC members, shall serve on the KJC for an additional one (1) year term after the natural expiration of their existing mandates, at which time they shall be replaced by the same procedure as their former IJPC colleagues. In the event that an entity responsible for matters related to the appointment, disciplining and dismissal of prosecutors were established, all five remaining members of the KJC shall be judges.

4.2.2 Among the remaining eight members, two (2) members shall be elected by the Kosovo Assembly members holding seats reserved or guaranteed for representatives of the Kosovo Serb Community, two (2) members shall be elected by the Assembly members holding seats reserved or guaranteed for representatives of other Communities, and two (2) members shall be elected by the Assembly members holding seats attributed during the general distribution of seats. In each case, at least one of the two members shall be a judge vetted by the IJPC. Two (2) international members, one of whom shall be a judge, shall be selected by the ICR on the proposal of the ESDP Mission.

4.2.3 All members of the KJC shall possess the relevant professional qualifications and expertise necessary for the work of the KJC.

4.3 Candidates for judicial positions that are reserved for members of Communities that are not in the majority in Kosovo, may only be nominated for appointment by the entire KJC by the majority of the KJC members elected by the Assembly members holding seats reserved or guaranteed for members of Communities that are not in the majority in Kosovo. If this group of KJC members does not nominate a candidate for a position at two subsequent sessions of the KJC, all KJC members shall have the right to nominate a

candidate for these judicial positions. Such candidates shall be drawn from qualified applicants who have met all the criteria provided for by law.

4.4 Candidates for judicial positions within basic courts the jurisdiction of which includes, exclusively, the territory of one or more municipalities where the majority of the population belongs to the Kosovo Serb Community may only be nominated for appointment by the entire KJC by the two KJC members elected by the Assembly members holding seats reserved or guaranteed for the Kosovo Serb Community acting jointly and unanimously. If these two members do not nominate a candidate for a position at two subsequent sessions of the KJC, all KJC members shall have the right to nominate a candidate for these judicial positions. Such candidates shall be drawn from qualified applicants that have met all the criteria provided for by law.

4.5 No judge may be dismissed or transferred against his/her will to another post unless upon proposal by the KJC in accordance with the Constitution and the law. A judge dissatisfied with such a decision shall have the right of appeal to the Supreme Court.

ANNEX V
RELIGIOUS AND CULTURAL HERITAGE

Article 1 Name, Internal Organization and Property of the Serbian Orthodox Church

1.1 The Serbian Orthodox Church (SOC) in Kosovo shall be afforded the protection and enjoyment of its rights, privileges and immunities as set forth in this Annex. The exercise of such rights, privileges and immunities shall carry with it duties and responsibilities to act in accordance with Kosovo law, and shall not violate the rights of others.

1.2 Kosovo shall recognize the Serbian Orthodox Church in Kosovo, including monasteries, churches and other sites used for religious purposes, as an integral part of the Serbian Orthodox Church seated in Belgrade.

1.3 Kosovo shall respect the name and the internal organization of the Serbian Orthodox Church, including its hierarchy and activities.

1.4 Kosovo shall guarantee that the movable and immovable property and other assets of the Serbian Orthodox Church shall be inviolable and shall not be subject to expropriation.

1.5 The Serbian Orthodox Church in Kosovo shall exercise full discretion in the management of its property, property reconstruction, and access to its premises.

1.5.1 Kosovo authorities shall have access to sites which constitute the property of the Serbian Orthodox Church only with consent from the Church, or in the event of a judicial order issued relating to alleged illegal activities or in the event of imminent danger to life or health.

1.5.2 The Serbian Orthodox Church is encouraged to provide the public access to its premises to foster and promote a better understanding and appreciation of its religious, cultural and historic significance.

1.6 Kosovo shall not arbitrarily prohibit the entry into, or residence within, Kosovo of priests, candidates for priesthood, monks, nuns, laymen or other invitees and members of the Serbian Orthodox Church.

1.7 Kosovo shall consult with the Serbian Orthodox Church in the promotion of the Serbian Orthodox heritage for touristic, scientific, educational or other public purposes. Such promotion shall fully respect Serbian historic and religious traditions in Kosovo.

Article 2 Economic and Other Support

2.1 The Serbian Orthodox Church in Kosovo shall be free to receive donations and other beneficial support from any institution within or outside of Kosovo. Such donations shall be provided in a fully transparent manner.

2.2 Kosovo shall grant customs duty and tax privileges to the Serbian Orthodox Church, in addition to those enjoyed by all religions in Kosovo, for economic activities of the Church specific to its financial self-sustainability, such as the production of embroidery and clerical vestments, candles, icon painting, woodcarving and carpentry, and traditional agricultural products. These privileges shall cover import and purchase of relevant products, materials, machinery, tools and livestock; and export of products resulting from the said activities.

Article 3 Security for Religious and Cultural Sites

3.1 The Serbian Orthodox Church, its monasteries, churches and other religious and cultural sites of special significance to the Kosovo Serb community shall be provided the necessary security.

3.1.1 The main responsibility to ensure the security of Kosovo's religious and cultural heritage shall lie with the Kosovo law enforcement agencies, in particular the Kosovo Police Service (KPS). Protection of the Serbian religious and cultural sites shall constitute a special operational task of the KPS. The KPS units deployed to protect these sites shall include appropriate representation of Kosovo Serb police officers. The ESDP Rule of Law mission, in consultation with the International Military Presence (IMP), shall monitor, mentor and advise the KPS in the implementation of this task.

3.1.2 The IMP shall provide security for the Gračanica monastery, the Devič monastery, the Zočište monastery, the Holy Archangels monastery, the Budisavci monastery, the Gorioć monastery, the Visoki Dečani monastery, the Peć Patriarchate and the Gazimestan memorial monument, until such time as the IMP, after consultation with the ICR and ESDP Mission, decides the conditions have been met for transfer of these responsibilities to the KPS.

3.1.3 The level and duration of the specific measures to ensure the physical security of the sites by the IMP shall take into account, *inter alia*: i) a threat assessment conducted by the IMP; ii) advice received from the Implementation and Monitoring Council, pursuant to Article 5 of this Annex.

3.1.4 The IMP shall aim to build higher levels of trust and confidence and work towards the normalization of the security situation around the sites. The capacities of the KPS shall be expanded as rapidly as possible in order to allow the IMP to disengage from these non-military tasks.

3.2 Kosovo shall guarantee freedom of movement to the clergy and affiliates of the Serbian Orthodox Church within Kosovo and shall provide the necessary security arrangements for such movement as appropriate.

Article 4 Protective Zones

4.1 A select number of Serbian Orthodox Church monasteries, churches, other religious sites, as well as historical and cultural sites of special significance for the Kosovo Serb

Community, shall be provided special protection through the establishment of Protective Zones. The objectives of the Protective Zones are: to provide for the peaceful existence and functioning of the sites to be protected; preserve their historical, cultural and natural environment, including the monastic way of life of the clergy; and prevent adverse development around them, while ensuring the best possible conditions for harmonious and sustainable development of the communities inhabiting the areas surrounding such sites. Without prejudice to ownership of the property within the Protective Zones, the following restrictions shall apply:

4.1.1 Any new activity in the following areas shall be prohibited:

a) Industrial construction or development, such as: exploration and exploitation of mineral resources; building of dams, power plants or power lines, kilns, factories, and transit roads in rural areas;
b) Construction or development leading to deforestation or pollution of the environment.

4.1.2 Any new activity in the following areas may be restricted as circumstances warrant. Prior to conducting activities in the following areas, the municipality concerned shall seek the agreement of the SOC. If no agreement is reached, the parties shall refer the matter to the IMC for review, in accordance with Article 5.4 of this Annex.[3]

a) Commercial construction or development such as: structures or edifices taller than the monastery/church/ cultural monument to be protected, road/street construction, construction of warehouses, workshops, shops, restaurants, bars, cafes, hotels/motels, food stalls and kiosks, petrol and automobile repair stations, supermarkets, night clubs, and any other large scale construction in rural areas;
b) Public gatherings, recreation and entertainment;
c) Urbanization of agricultural land.

4.1.3 Kosovo shall ensure that spatial plans for areas within the Protective Zones are in conformity with the restrictions outlined in 4.1.1 and 4.1.2

4.1.4 Protective Zones for the following sites shall be defined by the following maps:[4]

Visoki Dečani Monastery, Deçan/Dečani
Peć Patriarchate, Pejë/Peć
Gračanica Monastery, Prishtinë/Priština
Church of Presentation of the Virgin, Lipjan/Lipljan
Dević Monastery, Skenderaj/Srbica
Gorioč Monastery, Istog/Istok
Budisavci Monastery, Klinë /Klina

[3] In the case of any such activities within the Protective Zones for the following areas, the municipality concerned shall consult directly with the IMC: The Gazimestan Memorial Monument, the Zvečan Medieval fortress; the medieval town of Novo Brdo; and Vojnović Medieval bridge/Old Bridge.

[4] See S/2007/168/Add.2.

[5] The Protective Zone for the Visoki Decani Monastery is identical to the "Special Zoning Area" as defined in the UNMIK Executive Decision 2005/5 of 25 April 2005 and subsequent Executive Decisions.

Sokolica Monastery, Zveçan/Zvečan[6]
Draganac Monastery, Gjilan/Gnjilane
Holy Archangels Monastery, Prizren/Prizren
Banjska Monastery, Zveçan/Zvečan
Zočište Monastery, Zoqishtë/ Zočište, Rahovec/Orahovac
Village of Velika Hoča/Hoçë e Madhe, Rahovec/Orahovac
Duboki Potok Monastery, Zubin Potok/Zubin Potok
Church of Saint George, Gornje Selo/Gornjasellë, Prizren/Prizren
Sočanica Monastery, Leposaviq/Leposavić
Hermitage with Church, Uljarice , Klinë /Klina
Gazimestan memorial monument, Obiliq/Obilić[7]
Zvečan medieval fortress, Zveçan/Zvečan
Medieval town of Novo Brdo, Novobërdë/Novo Brdo
Vojnović Medieval bridge/Old Bridge, Vushtrri/ Vučitrn
Hermitage of Saint Peter of Koriša, Korishë/Koriša, Prizren/Prizren

4.1.5 Protective Zones for the following sites shall be limited to a 100-meter area around their perimeter:

Monastery of Saint Petka, Leposaviq/Leposavić
Monastery of the Holy Healers, Leposaviq/Leposavić
Monastery of the Holy Virgin of Hvosno, Skenderaj/Srbica
Monastery of Saint Mark, Korishë/Koriša, Prizren/Prizren
Trinity Monastery, Mushtisht/Mušutište, Suharekë/Suva Reka
Church of the Holy Virgin, Sredskë/Sredska, Prizren/Prizren
Monastery of Saint Uroš, Nerodime/Nerodimlje, Ferizaj/Uroševac
Monastery Binač, Buzovik/Buzovik, Viti/Vitina

4.1.6 Protective Zones for the following sites shall be limited to a 50-meter area around their perimeter:

Dolac Monastery, Klinë /Klina
Church of Saint Nicholas, Gjurakoc/Djurakovac, Istog/Istok
Church of the Holy Virgin Hodegetria, Mushtisht/Mušutiste, Suharekë/Suva Reka
Church of Saint Nicholas, Shtërpcë/Štrpce
Church of Saint Theodore, Biti e Poshtme/Donja Bitinja, Shtërpcë/Štrpce
Church of Saint Nicholas, Gotovushë/Gotovuša, Shtërpcë/Štrpce
Church of the Holy Virgin, Gotovushë/Gotovuša, Shtërpcë/Štrpce
Church of Saint George, Biti e Epërme/Gornja Bitinja, Shtërpcë/Štrpce
Church of Saint Nicholas, Mushnikovë/Mušnikovo, Prizren/Prizren
Church of Saint Nicholas, Bogoševci, Prizren/Prizren
Church of Saint Nicholas, Drajçiq/Drajčići, Prizren/Prizren
Church of Saint Nicholas, Sredskë/Sredska, Prizren/Prizren

[6] This Protective Zone is a joint Protective Zone for the Sokolica Monastery and the Isa Boletini Memorial Complex. The municipality concerned shall, accordingly, seek agreement from both the SOC and the Isa Boletini Museum Administration for any new activity as envisaged in Article 4.1.2 of this Annex.

[7] It is recommended that the Barjaktarevo Turbe be either included in the same Protective Zone, the latter being expanded accordingly, or in a separate Protective Zone to be established for this monument. It is also recommended that there be established a Protective Zone for the Sultan Murad mausoleum.

Church of the Holy Apostles (or Saint Petka), Mushnikovë/Mušnikovo, Prizren/Prizren
Church of Saint George, Sredskë/Sredska, Prizren/Prizren

4.1.7 The Protective Zone for the Historic Center of Prizren/Prizren shall be established by the municipal authorities of Prizren/Prizren in cooperation with the IMC, and shall include Serbian Orthodox, Ottoman, Catholic, vernacular and other sites of historic and cultural significance. The following Serbian cultural and religious sites shall be included in the Protective Zone: Church of the Holy Virgin of Ljeviša; the old "Maras Mahala"; the Church of the Holy Savior; the Orthodox Seminary of Saints Cyril and Methodius; and the Episcopal Residence Complex.[8]

4.2 The village of Velika Hoča/Hoçë e Madhe shall have the right, in consultation with the municipality of Rahovec/Orahovac, to exercise limited authority over activities in the areas of protection and promotion of religious and cultural heritage, and rural planning with respect to its Protective Zone, in accordance with Section 5.2 of UNMIK regulation 2000/45 on Self-Government of Municipalities in Kosovo. The Implementation and Monitoring Council (IMC) shall facilitate such consultation, in accordance with Article 5.4 of this Annex.

Article 5 Implementation and Monitoring Council

5.1 An Implementation and Monitoring Council (IMC) shall be established, and shall meet regularly, to monitor and facilitate the implementation of the provisions of this Settlement relating to the protection of the Serbian religious and cultural heritage in Kosovo.

5.2 The IMC shall be chaired by a senior international official appointed by the International Civilian Representative (ICR) in Kosovo.

5.3 The IMC shall be composed of seven (7) members in addition to the Chairperson. Representatives of the following institutions shall serve on the IMC: Ministry of Culture of Kosovo, Institute for Protection of Monuments in Prishtinë/Priština, Serbian Orthodox Church, Institute for Protection of Monuments in Leposaviq/Leposavić, OSCE, Council of Europe, and UNESCO.

5.4 The IMC shall:

a) Advise and provide recommendations to the ICR on the implementation of the Settlement provisions relating to the protection of the Serbian religious and cultural heritage in Kosovo;
b) Supervise the delineation of the Protective Zones on the ground and their implementation;
c) Recommend changes to boundaries of the Protective Zones and restrictions applied therein should the circumstances so warrant;
d) Facilitate resolution of disputes between the Serbian Orthodox Church and the central or local authorities of Kosovo with regard to implementation of the

[8] The Episcopal Residence Complex includes the Bishop's Residence, St. George Cathedral, churches of St. George (Runovic) and St. Nicholas (Tutic).

provisions of this Annex and provide relevant recommendations for action by the ICR as appropriate;

e) Recommend to the ICR measures to correct possible deficiencies in the implementation of the Settlement provisions relating to the protection of the Serbian religious and cultural heritage in Kosovo;

f) Advise the Kosovo law enforcement agencies, the International Military Presence and the ESDP Mission on security related issues affecting the religious and cultural heritage sites.

5.5 The IMC shall be supported by a Secretariat, which shall be responsible for the day-to-day monitoring of the implementation of this Annex, and shall be comprised of international and local staff members who report directly to the Chairperson.

5.6 The IMC shall work closely with the Reconstruction Implementation Commission.

Article 6 Return of Archaeological and Ethnological Exhibits

6.1 The Republic of Serbia shall return archaeological and ethnological exhibits, which were taken on loan from the museums of Kosovo for temporary exhibitions in Belgrade in 1998-1999 within 120 days from the date of entry into force of this Settlement.

ANNEX VI
EXTERNAL DEBT

Article 1 General Provisions

1.1 Kosovo shall assume its share of the external debt of the Republic of Serbia. Kosovo's share shall be determined through negotiations between Kosovo and the Republic of Serbia on the basis of the following principles, in agreement with the relevant creditors: allocated external debt shall become a liability of Kosovo where the final beneficiary is located in Kosovo; non-allocated external debt shall be apportioned to the parties according to a proportional key to be established by agreement between the parties, in cooperation with the International Monetary Fund (IMF).

Article 2 Debt Servicing Obligations

2.1 As long as the debt is not fully reconciled and re-apportioned in agreement with creditors, the Republic of Serbia shall, according to its responsibility as sovereign borrower/guarantor, ensure the continuity of debt servicing. Kosovo shall refund to the Republic of Serbia Kosovo's duly established share of the debt servicing that the Republic of Serbia has paid pending the completion of the debt reconciliation process.

Article 3 Arbitration

3.1 If, within six months after this Settlement has entered into force, Kosovo and the Republic of Serbia have not agreed to debt reconciliation and allocation, the International Steering Group shall nominate an international arbitrator after consultation with the parties, to apportion the external debt of the Republic of Serbia between the Republic of Serbia and Kosovo, or that part of the external debt which has not been agreed upon by the parties, in agreement with the relevant creditors.

3.2 The arbitrator's debt allocation shall be irrevocable and shall decide which debts are to be transferred to, and assumed by, Kosovo.

ANNEX VII
PROPERTY AND ARCHIVES

Article 1 Publicly Owned Enterprises

1.1 Ownership rights in publicly owned enterprises (POEs) and related obligations, including, but not limited to, pre-incorporation liabilities shall be transferred to Kosovo. Ownership rights and related obligations of POEs providing services only in a specific municipality or in a limited number of municipalities, in particular in the areas of water supply, waste, irrigation, and heating shall be transferred to that municipality or to the relevant municipalities.[9] Kosovo shall respect European standards relating to water management, waste management and environmental protection.

1.2 Notwithstanding these ownership rights, the competent Kosovo authorities shall take appropriate measures to implement the relevant international principles of corporate governance and liberalization. The above-mentioned measures should specifically exclude the reversion of the status of the incorporated POEs as independent Joint Stock Companies and the corporate governance structures that have been implemented within them.

Article 2 Socially Owned Enterprises

2.1 The trusteeship for socially owned enterprises and their assets (SOEs) shall be exercised by the Kosovo Trust Agency (KTA), as set forth in an UNMIK Regulation amending Regulation 2001/12 as amended.[10] The adjudication of claims shall be handled according to the provisions set forth in Article 3 of this Annex.

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[9] UNMIK shall issue an amending Regulation and/or Administrative Direction during the transition period that shall transfer the ownership rights and related obligations of POEs to Kosovo, and allocate the ownership rights and related obligations for the individual POEs between the central level and specific municipalities in accordance with Article 1.1 of this Annex. Such Regulation and/or Administrative Direction shall enter into effect immediately after the transition period.

[10] UNMIK shall promulgate a Regulation amending Regulation 2001/12 as amended during the transition period, that shall include the provisions of Article 2 of this Annex and the following principles. Such regulation shall enter into effect immediately after the transition period.

- The KTA shall be financed from the Kosovo budget, extra budgetary resources provided by donors and from KTA Trust Funds following satisfaction of all valid creditors' and ownership claims;
- Private property shall be fully protected in accordance with principles of the ECHR;
- The privatization process of SOEs shall continue to be carried out with transparency by the KTA, with relevant international participation;
- The principle of compensation instead of physical restitution shall continue to be applied. Detailed rules on the method to determine such compensation shall be laid down in Kosovo legislation, which shall take into account relevant standards of the ECHR;
- The liquidation process of privatized enterprises and assets shall continue to be carried out with transparency by independent liquidation committees appointed by the KTA;
- The KTA shall take decisions on privatization or liquidation only after having consulted officials form the municipalities in which the relevant SOEs are located;
- There shall be Review Committees to review claims against any actions of the KTA or a liquidation committee. A Review Committee shall issue a recommendation which shall be the final decision of the KTA. Such a decision can be challenged in the Special Chamber of the Supreme Court on KTA Related Matters;
- There shall be participation of Kosovo non-Albanian communities in the Board, liquidation committees, and review committees;

2.2 To monitor, in particular, compliance with principles of the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) and with applicable legislation related to the privatization and liquidation of SOEs, the ICR shall appoint the following international representatives:

a. Three (3) members of the Board of Directors of the KTA ;
b. The Director of the Executive Secretariat of the Board of Directors of the KTA;
c. One (1) member in each of the liquidation committees;
d. One (1) member, who shall also be the chair, in each of the Review Committees.

2.3 The international members of the Board of Directors shall have the authority, acting jointly and unanimously, to suspend a decision of the KTA if they determine that such decision is in conflict with principles of the ECHR and its Protocols, and applicable law, and to refer the matter to the Special Chamber of the Supreme Court for a decision. The Special Chamber shall decide on such cases as a matter of urgency.

2.4 Each individual payment from the privatization and liquidation proceeds collected in Trust Funds shall require the consent of the international members of the Board of Directors, acting jointly and unanimously, unless the Special Chamber has already issued a decision that payments should be made.

2.5 The two largest international donors to the KTA shall have the right to attend the meetings of the Board of Directors of the KTA as observers.

Article 3 KTA Claims Adjudication Process

3.1 The final determination of ownership and the adjudication of claims shall continue to be handled by the Special Chamber within the Supreme Court established for this purpose under UNMIK Regulation 2002/13.

3.2 There shall be five specialized panels within the Special Chamber to deal with the following areas of jurisdiction: (i) privatization-related claims; (ii) employee list claims; (iii) general ownership and creditor claims; (iv) liquidation-related claims, (v) reorganization of enterprise claims. Each specialized panel shall be composed of two (2) international judges and one Kosovan judge.

- The final determination of ownership and the adjudication of claims shall continue to be handled by the mechanism of a Special Chamber within the Supreme Court, in accordance with Article 3 of this Annex;
- The KTA Trust Funds comprising privatisation or liquidation proceeds shall be preserved to meet valid creditors' and ownership claims. Investment of these funds shall be placed in investments, rated investment grade by international rating agencies;
- Following the expiration of any period of time for submitting such claims and the satisfaction of all valid creditors' and ownership claims – within the limits of funds available in each case - the remaining KTA funds (socially owned property and privatization/liquidation proceeds from socially owned property) shall be transferred to the Government of Kosovo.

3.3 There shall be an appeals panel within the Special Chamber for reviewing Special Chamber decisions. The appeals panel shall be composed of three (3) additional international judges and two Kosovan judges.

Article 4 Kosovo Property Agency (KPA)

4.1 UNMIK Regulation 2006/10, as amended by UNMIK Regulation 2006/50 on the Resolution of Claims Relating to Private Immovable Property, including Agricultural and Commercial Property, shall continue to be in force and implemented in accordance with the provisions of this Settlement. Adjudication of property cases should be finalized by 31 December 2007, with a view to completing implementation of decisions not later than 31 December 2008.

4.2 The following positions shall be filled with international representatives, as appointed by the ICR:

a. Three (3) members of the Supervisory Board, including its chairperson;
b. The Director of the Executive Secretariat;
c. Two (2) members of the Property Claims Commission, including its chairperson;
d. Two (2) judges, in accordance with Article 5 of this Annex.

Article 5 KPA Claims Adjudication Process

5.1 Appeals against decisions of the KPA Property Claims Commission shall be decided by three-judge panels of the Supreme Court consisting of two (2) international judges and one (1) local judge.

5.2 Illegal possession of private immovable property shall not confer ownership rights. If a claimant can establish that he or she had no access to the relevant institutions for timely submission of a claim for adjudication within statutory time limits, such a claim shall not be considered as not receivable by a competent court or by another judicial or quasi judicial organ.

5.3 Kosovo shall implement additional measures, in consultation with the ICR, to ensure that the adjudication process on restitution/compensation of property claims is efficient and decisions are effectively enforced.

Article 6 Property Restitution

6.1 Kosovo shall also address property restitution issues, including those related to the Serbian Orthodox Church, as a matter of priority. Kosovo shall establish an independent mechanism to formulate the policy, legislative and institutional framework for addressing property restitution issues. Representatives of the international community shall be invited to participate in such a mechanism, which shall include representatives of non-majority Communities.

Article 7 Archives

7.1 Archives, including cadastral records and other documents relating to Kosovo and its inhabitants, which were displaced from Kosovo shall be returned to Kosovo. Holdings of the State Archives of the Republic of Serbia necessary for the normal administration of Kosovo shall, in accordance with the principle of functional pertinence, be transferred to Kosovo, irrespective of where those archives were or are located.

7.2 The Republic of Serbia shall return or transfer all such archives within six months of the entry into force of this Settlement. Until the archives have been returned or transferred, the Republic of Serbia shall allow free, unhindered and effective access to them.

ANNEX VIII
KOSOVO SECURITY SECTOR

Article 1 Security of Kosovo

1.1 Except as specified elsewhere in this Settlement, Kosovo shall have authority over law enforcement, security, justice, public safety, intelligence, civil emergency response and border control on its territory.

1.2 Kosovo security institutions are to operate in accordance with the democratic standards and the rights of Communities and their members, as set forth in Annex II.

1.3 Kosovo shall establish a parliamentary committee to oversee the security sector in accordance with this Settlement.

1.4 Kosovo shall establish a Kosovo Security Council (KSC), reporting to the Prime Minister. The KSC shall develop a security strategy in accordance with this Settlement. Kosovo shall develop a legislative framework on the components of the security sector with appropriate budgetary and oversight provisions, in accordance with this Settlement.

1.5 In those areas of the security sector where there is continued international involvement in accordance with this Settlement, Kosovo shall develop, in cooperation with the ICR and the IMP, strategies for a full transfer of responsibility to Kosovo authorities over time.

1.6 The process of developing Kosovo's security sector shall be fully transparent to Kosovo's neighbours, and Kosovo shall establish appropriate liaison and confidence-building measures with regional counterparts.

1.7 Kosovo shall comply with UN, OSCE, and EU standards and practices in the field of security and arms control, as well as other regional security agreements and statements under the purview of the OSCE.

Article 2 Police

2.1 A unified chain of command for police services shall be preserved throughout Kosovo.

2.2 Boundaries of police station districts shall coincide with municipal boundaries.

2.3 The ethnic composition of the police within a municipality shall, to the extent possible, reflect the ethnic composition of the population within that municipality.

2.4 Local Councils composed of municipal and police representatives including the Station Commanders shall be made fully functional in order to facilitate the cooperation between the Police Service and municipal authorities/local community leaders. Municipal Presidents shall chair the Councils.

2.5 Local Station Commanders shall be informed in advance of operations by central or special police forces within the perimeters of local police stations unless operational considerations require otherwise.

2.6 In Kosovo Serb majority municipalities, the local Station Commanders shall be selected according to the following procedure: The Municipal Assembly shall propose at least two names for Station Commander fulfilling all minimum professional requirements as set forth by Kosovo law. The Ministry of Internal Affairs may then appoint one candidate from this list within 15 days upon receipt of the list. In the event none of the candidates are acceptable to the Ministry, the Municipal Assembly shall provide a second list of at least two different candidates for consideration by the Ministry, stemming from the existing Kosovo Police Service staff and fulfilling all minimum professional requirements as set forth by Kosovo legislation. The Ministry is then obliged to appoint one of the candidates from the second list within 15 days of its receipt.

Article 3 Border

3.1 Kosovo shall develop, in coordination with the ICR and the IMP, a strategy to allow a phased hand-over of responsibility for control of the border and its associated integrated management to the Kosovo Police Service.

3.2 The territory of Kosovo shall be defined by the frontiers of the Socialist Autonomous Province of Kosovo within the Socialist Federal Republic of Yugoslavia as these frontiers stood on 31 December 1988, except as amended by the border demarcation agreement between the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia on 23 February 2001. [1]

3.3 Kosovo shall engage with the former Yugoslav Republic of Macedonia to establish a joint technical commission within 120 days of the entry into force of this Settlement to physically demarcate the border and address other issues arising from the implementation of the 2001 agreement between the Federal Republic of Yugoslavia and the former Yugoslav Republic of Macedonia. The work of the technical commission shall be completed within one year from the date of its establishment. The ICR and the IMP shall be represented on this commission to facilitate discussions between the two parties, and may participate in the process of border demarcation at the request of either party.

Article 4 Intelligence

4.1 Kosovo shall establish a domestic security agency to monitor threats to Kosovo's internal security, in accordance with Annex IX. This agency shall be professional, apolitical, multi-ethnic and subject to parliamentary oversight and civilian administration.

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[1] As in his statement on 7 March 2001, the President of the Security Council, mentioned *inter alia*: "The Security Council recalls the need to respect the sovereignty and territorial integrity of the former Yugoslav Republic of Macedonia. In this context it emphasizes that the border demarcation Agreement, signed in Skopje on 23 February 2001...must be respected by all."

Article 5 Kosovo Security Force

5.1 A new professional and multi-ethnic Kosovo Security Force (KSF) shall be established. It shall not create an undue financial burden on the resources of Kosovo. A civilian-led organization of the Government shall be established to ensure civilian control over the KSF, in accordance with Annexes IX and XI.

5.2 The KSF shall be lightly armed and possess no heavy weapons, such as tanks, heavy artillery or offensive air capability. The KSF is to consist of no more than 2,500 active members and 800 reserve members.

5.3 Changes to the limits set forth in Article 5.2 of this Annex are to be determined by the IMP, in coordination with the ICR. A full review of these limits shall be conducted no earlier than 5 years from the date this Settlement enters into force.

5.4 Initially, the KSF shall be primarily responsible for crisis response, explosive ordinance disposal, and civil protection. In addition, the KSF will be designed and prepared to fulfil other security functions, not appropriate for the police or other law enforcement organizations. The IMP, in coordination with the ICR, shall establish a benchmarked, monitored process for the purpose of determining when to authorize the KSF to engage in these security functions.

5.5 Members of the KSF shall be recruited from across society. A formal selection procedure shall be developed jointly by Kosovo and the IMP. Recruitment shall begin shortly after the entry into force of this Settlement in order to ensure an initial operational capability within one year of the conclusion of the transition period as set forth in Article 15 of this Settlement.

5.6 Equipping the KSF will be a joint effort between Kosovo and the international community, as funds and resources are made available. Kosovo will identify to the IMP all sources of funds and equipment provided to the KSF from outside Kosovo.

Article 6 Kosovo Protection Corps (KPC)

6.1 The KPC, having accomplished its goals, including facilitation of Kosovo's post-conflict recovery, shall be dissolved. The IMP, in consultation with the ICR and Kosovo, shall have executive authority over the KPC, and shall decide on the timing of the KPC's dissolution. The dissolution is to be within one year of the conclusion of the transition period as set forth in Article 15 of this Settlement. A Demobilization and Reintegration process is to be developed by the International Community for these KPC retirees.

Article 7 Air Space Control

7.1 Kosovo shall assume full ownership, responsibility and accountability for its airspace. It shall establish a Civil Aviation Authority (CAA) to regulate civil aviation activities in Kosovo, subject to the right of the IMP to re-establish military control over the airspace, as set forth in Article 2 of Annex XI. The CAA shall also designate a provider for air navigation services.

ANNEX IX
INTERNATIONAL CIVILIAN REPRESENTATIVE

Article 1 Objectives

1.1 Kosovo shall be responsible for managing its own affairs, based upon the democratic principles of the rule of law, accountability in government, and the protection and promotion of human rights, the rights of members of all Communities, and the general welfare of all its people. Recognizing that fulfilling Kosovo's responsibilities under this Settlement will require a wide range of complex and difficult activities, an International Civilian Representative (ICR) shall supervise the implementation of this Settlement and support the relevant efforts of Kosovo's authorities.

Article 2 Mandate and Powers of the International Civilian Representative

2.1 Regarding the general supervision of the implementation of this Settlement, the ICR shall:

a. Be the final authority in Kosovo regarding interpretation of the civilian aspects of this Settlement;
b. Ensure effective implementation of this Settlement through the execution of specific tasks accorded to the ICR in other parts of this Settlement;
c. Take corrective measures to remedy, as necessary, any actions taken by the Kosovo authorities that the ICR deems to be a breach of this Settlement, or seriously undermine the rule of law, or to be otherwise inconsistent with the terms or spirit of this Settlement; such corrective measures may include, but are not limited to, annulment of laws or decisions adopted by Kosovo authorities;
d. In cases of serious or repeated failures to comply with the letter or spirit of this Settlement, and/or in instances of serious obstruction in the work of the ICR and/or ESDP Mission, the ICR shall have the authority to sanction or remove from office any public official or take other measures, as necessary, to ensure full respect for this Settlement and its implementation;
e. Monitor, through his/her own office or through the establishment of appropriate reporting mechanisms from other international actors or organizations as may be present in Kosovo, the implementation of all civilian aspects of this Settlement.

2.2 In addition to his/her appointment authority as specified elsewhere in this Settlement, the ICR shall have the authority to appoint directly, or provide his consent for the appointment of certain positions as follows:

a. The Auditor-General shall be an international appointed by the ICR;
b. Following the expiration of the mandate of the current international members of the Board of Directors of the Kosovo Pension Saving Trust (KPST), the ICR shall appoint an international representative as a member of the Board of Directors of the KPST;
c. International judges and prosecutors shall be selected by the ESDP Mission, who shall require, prior to their appointment, the consent of the ICR;

d. The Director-General of the Customs Service, the Director of Tax Administration, the Director of the Treasury, and the Managing Director of the Central Banking Authority of Kosovo (CBAK) shall be appointed by the competent appointing authorities following consent by the ICR;
e. In exercising his/her authority of appointment, the ICR shall consider the professional qualifications of the candidates, their reputation of integrity, and track record of rigorous and impartial application of the law.

2.3 The powers and authorities of the ICR and the powers and authorities of the EUSR shall be vested in the same person. Under the direction of the EUSR, the ESDP Mission shall have the following powers in the field of the rule of law, including, in particular, in the judiciary, police, border control, customs and correctional services, with modalities to be determined by the Council of the European Union in accordance with this Settlement:

a. Authority to ensure that cases of war crimes, terrorism, organised crime, corruption, inter-ethnic crimes, financial/economic crimes, and other serious crimes are properly investigated according to the law, including, where appropriate, by international investigators acting with Kosovo authorities or independently;
b. Authority to ensure that cases described in Article 2.3a of this Annex are properly prosecuted including, where appropriate, by international prosecutors acting jointly with Kosovo prosecutors or independently. Case selection for international prosecutors shall be based upon objective criteria and procedural safeguards, as determined by the Head of the ESDP Mission. International prosecutors shall serve in accordance with Kosovo law;
c. Authority to ensure that cases described in Article 2.3a of this Annex and property related civil cases are properly adjudicated, including, where appropriate, by international judges sitting independently or on panels with Kosovo judges in the court which has jurisdiction over the case. Case selection for adjudication involving international judges shall be based upon objective criteria and procedural safeguards, as determined by the Head of the ESDP Mission. International judges shall enjoy full independence in the discharge of their judicial duties and shall serve within the Kosovo judicial system in accordance with the law;
d. Responsibility to ensure that decisions of cases described in Article 2.3a of this Annex are properly enforced in accordance with the law by the competent Kosovo authorities;
e. Authority to assume other responsibilities independently or with the competent Kosovo authorities to ensure the maintenance and promotion of the rule of law, public order and security;
f. In consultation with the ICR, authority to reverse or annul operational decisions taken by the competent Kosovo authorities, as necessary, to ensure the maintenance and promotion of the rule of law, public order and security;
g. Authority to monitor, mentor and advise on all areas related to the rule of law. The Kosovo authorities shall facilitate such efforts and grant immediate and complete access to any site, person, activity, proceeding, document, or other item or event in Kosovo;
h. Authority to ensure efficient implementation of this Settlement through the execution of tasks accorded to the ESDP Mission in other parts of this Settlement;

i. Authority to appoint ESDP mission personnel to perform the functions accorded to the ESDP Mission.

2.4 The ICR shall supervise the development of Kosovo's civilian institutions including civilian control over its security institutions, without prejudice to the responsibilities of NATO and the IMP regarding the development of the KSF and its civilian oversight, as set forth in Article 14.5 of this Settlement.

2.5 The ICR shall oversee the development of a domestic security agency, as specified in Annex VIII of this Settlement.

2.6 The ICR shall have the authority to establish a mechanism to allow the review of the use of his/her powers and those of the EUSR without prejudice to the privileges and immunities enjoyed by the ICR and EUSR under this Settlement.

Article 3 Coordination with International Actors

3.1 To ensure maximum coherence and effectiveness in international engagement in Kosovo, the ICR shall establish appropriate mechanisms to coordinate the activities of all international actors. These actors shall support such efforts by providing the ICR with information relevant to the exercise of his/her functions.

3.2 The Organization for Security and Cooperation in Europe (OSCE) is requested to maintain a Mission in Kosovo, including a comprehensive field presence, to support the democratic development of Kosovo and the work of the ICR and his/her Office. Specific arrangements for such support by the OSCE shall be established between the OSCE and the ICR. The OSCE Mission and its personnel will be accorded the same privileges and immunities as specified in Article 4.6 of this Annex. Kosovo shall facilitate all appropriate assistance to the OSCE Mission necessary for the efficient and effective discharge of its duties, including the provision of logistical and administrative support as necessary.

3.3 The ICR shall, consistent with his/her overall coordinating role regarding supervision of the implementation of this Settlement, chair a Coordination Committee comprising the Head of the International Military Presence, the Head of the ESDP Mission, the Head of the OSCE Mission, and, as the Committee deems appropriate, representatives of other entities contributing to the implementation of this Settlement.

Article 4 Structure/Staffing of the International Civilian Representative

4.1 The ICR shall be appointed by an International Steering Group following consultations within the EU. The ISG shall seek UN Security Council endorsement of this appointment. The ISG shall have the following membership: France, Germany, Italy, Russia, United Kingdom, United States, European Union, European Commission, NATO.

4.2 The ICR shall report directly to the International Steering Group and chair its meetings. The International Steering Group shall provide guidance to the ICR.

4.3 The ICR shall be supported by staff (the International Civilian Office (ICO)), as he/she deems necessary, to assist in carrying out the functions set forth in this Settlement.

4.4 The ICR may establish whatever field presence he/she deems necessary to supervise full implementation of this Settlement. The ICR shall establish a field office in Mitrovica which shall focus, in particular, on the areas of security/rule of law, freedom of movement/returns, property rights/housing, and economic development.

4.5 The ICR, also in his/her capacity as EUSR, shall enjoy, under the laws of Kosovo, legal capacity as may be necessary for the full exercise of his/her functions under this Settlement.

4.6 The ICR, also in his/her capacity as EUSR, shall be accorded the following privileges and immunities:

a. Kosovo shall accord the office of the ICR and the EUSR and its premises, archives, and other property the same privileges and immunities as are enjoyed by a diplomatic mission and its premises, archives, and other property under the Vienna Convention on Diplomatic Relations.
b. Kosovo shall accord the ICR, the EUSR, and professional members of his or her staff and their families, as well as those international professionals appointed by the ICR pursuant to his/her authority as set forth in this Settlement, the same privileges and immunities as are enjoyed by diplomatic agents and their families under the Vienna Convention on Diplomatic Relations.
c. Kosovo shall accord other members of the ICR and EUSR staff and their families the same privileges and immunities as are enjoyed by members of the administrative and technical staff and their families under the Vienna Convention on Diplomatic Relations.

Article 5 Reduction and Termination of the Mandate of the International Civilian Representative

5.1 Based upon the recommendations of the ICR, the International Steering Group shall establish benchmarks for a periodical review of the mandate of the ICR, and shall conduct a full review of the powers of the ICR no later than two years after the entry into force of this Settlement, with a view to gradually reducing the scope of the powers of the ICR and the frequency of intervention.

5.2 The mandate of the ICR shall be terminated when the International Steering Group determines that Kosovo has implemented the terms of this Settlement.

Article 6 Cooperation

6.1 Kosovo authorities shall cooperate fully with the ICR, also in his/her capacity as EUSR, and other international organizations and actors, for the successful implementation of all aspects of this Settlement. Failure by the Kosovo authorities to so cooperate shall constitute a breach of the terms of this Settlement under Article 2.1 of this Annex.

6.2 Kosovo authorities shall facilitate all appropriate assistance to the ICR, also in his/her capacity as EUSR, for the efficient and effective discharge of their duties, including the provision of logistical and administrative support as necessary.

ANNEX X
EUROPEAN SECURITY AND DEFENCE POLICY (ESDP) MISSION

Article 1 Mandate and Powers

1.1 The ESDP Mission shall, under the direction of the European Union Special Representative, exercise the powers as outlined in Article 2.3 of Annex IX of this Settlement.

1.2 The ESDP Mission and its personnel will be accorded the privileges and immunities as specified in Article 4.6 of Annex IX of this Settlement.

Article 2 Structure

2.1 The Head of the ESDP Mission shall be appointed by the Council of the European Union.

2.2 The Head of the ESDP Mission may establish whatever presence he/she deems necessary, at a central and/or local level, to ensure full implementation of the rule of law elements of this Settlement.

Article 3 Cooperation

3.1 Kosovo shall facilitate all appropriate assistance to the ESDP Mission necessary for the efficient and effective discharge of its duties, including the provision of logistical and administrative support as necessary.

ANNEX XI
INTERNATIONAL MILITARY PRESENCE

Article I Objectives

1.1. The International Military Presence (IMP) shall be responsible for:

a. Ensuring the security of Kosovo from external threats, until Kosovo's institutions can take responsibility;
b. Providing a safe and secure environment throughout the territory of Kosovo, in conjunction with the ICR and in support of the Kosovo institutions, until such time as Kosovo's institutions are capable of assuming responsibility, on a case-by-case basis, for the security tasks performed by the IMP;
c. Supervising and supporting, with the assistance of others, the establishment and training of the Kosovo Security Force (KSF); this would include vetting potential members to ensure professionalism; striving to achieve appropriate ethnic representation, and, the right of sanction for inappropriate conduct of members of the KSF in coordination with the ICR;
d. Verifying compliance with any military security aspects of this Settlement;
e. Supporting, and coordinating closely with the work of the ICR, as well as providing military advice to the ICR;
f. Assisting and advising with respect to the process of integration in Euro-Atlantic structures.

1.2 Within means and capabilities, and until tasks can be relinquished to others under programmes to be agreed, the IMP will assist local authorities and the ICR in:

a. Responding to violent extremists;
b. Ensuring freedom of movement;
c. Facilitating refugee return;
d. Removing, safeguarding and destroying unauthorized weapons;
e. Protecting designated religious and cultural sites;
f. Conducting border monitoring duties as required; and
g. Providing support, on a case-by-case basis, to the international community and key civil implementation organizations, in the fulfilment of their respective mandates.

1.3 The IMP shall supervise, monitor and have executive authority over the KSF until the Force is judged by the IMP, in coordination with the ICR, to be self-sustaining and capable of fulfilling its assigned tasks in accordance with international standards.

1.4 The IMP, in consultation with the ICR and Kosovo, shall have executive authority over the KPC, and shall decide on the timing of the KPC's dissolution as set forth in Article 6 of Annex VIII of this Settlement.

1.5 The IMP will continue the established practice of the current Joint Implementation Commission with the Republic of Serbia. Over time, the activities of the Joint Implementation Commission will be subsumed by a new Joint Military Commission with authorities from Kosovo and the Republic of Serbia to address military security issues of common concern.

1.6 The IMP will establish confidence-building measures between the KSF and defense institutions of the Republic of Serbia, in coordination with the ICR.

1.7 In the longer term, the IMP will remain engaged with the KSF to provide advice aimed at Kosovo's further integration into Euro-Atlantic security structures and the involvement of elements from the security force in internationally mandated missions.

1.8 The IMP will operate under the authority and be subject to the direction and political control of the North Atlantic Council through the NATO Chain of Command. The IMP shall have a unified chain of command.

1.9 NATO shall support the development of structures and expertise in Kosovo to ensure the effective civilian control and management over the KSF, in particular in the areas of strategy development, force planning, personnel management, Planning, Programming and Budgeting (PPBS), exercise planning and procurement, in accordance with Article 2.4 of Annex IX of this Settlement.

Article 2 Powers and Authorities

2.1 In fulfilling the IMP's responsibilities, the Head of the IMP shall have the authority, without interference or permission, to do all that he/she judges necessary and proper, including the use of military force, to protect the IMP and other designated personnel and to carry out its responsibilities. The Head of the IMP is the final authority in theatre regarding interpretation of those aspects of the Settlement that refer to the IMP.

2.2 The IMP will have the following authorities:

a. The right to carry out its responsibilities as it deems appropriate, including the use of all necessary force where required and without further sanction, interference or permission;
b. The right to exercise complete and unimpeded freedom of movement throughout Kosovo, by any means;
c. The right to re-establish immediate and full military control of the airspace (or parts thereof) should military requirements so dictate. The Head of the IMP shall ensure that the Civil Aviation Authority of Kosovo is fully informed of any such decision;
d. The right to conduct inspections of premises and facilities in connection with the fulfilment of its tasks;
e. The right to approve and supervise, in coordination with the ICR, the establishment of all non-police, security-related forces proposed by Kosovo;
f. The right to take action as it deems appropriate in support of its mandate in accordance with this Settlement.

2.3 Kosovo shall grant the IMP the status, privileges and immunities currently provided to KFOR under UNMIK Regulation 2000/47.

2.4 In all cases, the authorities of the IMP will be kept under review and, after consultation with the relevant parties and decision by the North Atlantic Council, adjusted accordingly, on a case-by-case basis, as Kosovo's institutions develop capacity and increase ownership and responsibility.

ANNEX XII
LEGISLATIVE AGENDA

Article 1 Legislation to Be Formally Approved During the Transition Period

The Assembly of Kosovo shall formally approve the necessary legislation to implement the terms of this Settlement during the 120-day transition period, which shall be deemed adopted by the Assembly and shall become effective on the first day immediately following the transition period. Such legislation shall include, but not be limited to, the following laws or amendments thereto:

1.1 Laws on General and Local Elections;

1.2 Law on Local Self-Government;

1.3 Law on Municipal Boundaries;

1.4 Law on the Establishment of Protective Zones;

1.5 Rules of procedures, or amendments thereto, as necessary to implement the terms of this Settlement immediately upon the end of the transition period, including, in particular, rules of procedures related to the protection and promotion of the rights of Communities and their members.

Article 2 Legislation to be Formally Approved During or Adopted After the Transition Period

The Assembly of Kosovo may formally approve other legislation during the transition period to implement the terms of this Settlement, which, if approved, shall be deemed adopted by the Assembly and shall become effective on the first day immediately following the transition period. Such legislation shall otherwise be adopted as a matter of priority immediately upon the conclusion of the transition period, and shall include, but not be limited to, the following laws or amendments thereto:

2.1 Laws related to the Rights of Communities and their Members;

2.2 Law on the Establishment of the Kosovo Security Council;

2.3 Legislation to establish a Civil Aviation Authority;

2.4 Amendments to the Assembly Rules of Procedure for the Establishment of an Assembly Security Oversight Committee;

2.5 Legislation on Local Finance;

2.6 Laws related to distribution of competencies and other issues in the following sectors:

2.6.1 Education;

2.6.2 Health Care;

2.7 Law on the Kosovo Security Force;

2.8 Law on Service in the Kosovo Security Force;

2.9 Law on Service in the Kosovo Police;

2.10 Law on the Establishment of a Domestic Kosovo Intelligence Agency;

2.11 Law on Kosovo Citizenship;

2.12 Law on National Symbols and Public Holidays;

2.13 Law on Restitution.